

United States for some time, and being, therefore, of necessity, personally unacquainted with the current position of the question. For it is to be borne in mind that, owing to the lengthened trans-continental route, any service which has not the sympathy and support of persons in authority in the United States, is likely to be more or less a failure.

I have said, in Mr. Gray's instructions, that I think it would be better to leave it to any new contractors to make their own arrangements with Australia, unless some co-operation with the neighbouring Colonies can be at once arranged. At present, the information we possess is, that New South Wales is determined to have a service by way of Fiji, and to offer to New Zealand a branch service from one of that group of Islands. Such a service, though it might be useful for mail purposes, would be far inferior to that which New Zealand has a right to expect. A service by way of Fiji would mean the permanent diversion of the course of American commerce from New Zealand, without any commensurate benefit to Australia. Supposing the Fiji route would insure a few hours' saving in the delivery of mails in New South Wales, that saving would far from compensate for the vessels calling at a port wholly unprovided with the necessary conveniences; for it is understood that the port would be in one of the Islands of the group upon which, as yet, there has been very little, if any, European settlement. In addition, it is to be remembered that the navigation round the whole group is exceedingly dangerous. As far as the interests of New Zealand, and the convenience of New Zealand passengers are concerned, it would be far better that there should be a transshipment at Honolulu than at one of the Fiji group, where, in case of accident to the main boat, or of serious sickness happening to any of the passengers, comparatively none of the appliances of civilization would be obtainable. Honolulu, on the other hand, is an agreeable and well-established place. Means for the repair of vessels or machinery exist there; and if passengers should be detained there, they need not suffer any annoyance, except that of loss of time. It is quite possible, if New South Wales should prove to be obstinately wedded to a Fiji service, Victoria might combine with New Zealand, especially if the main boats proceeded from Auckland to Melbourne direct. On that point, I may be able to telegraph you information before you reach San Francisco. But should you not receive any information from me on the subject, it would be well, in your negotiations, to keep in mind the fact, that probably Victoria, if not New South Wales, would be willing to make some arrangement of the kind I have indicated.

The Government will, however, during the time your voyage will occupy, endeavour to ascertain if the Australian Governments are inclined to act with New Zealand. If the Government of New South Wales should be found to be inclined to act with New Zealand, they will be invited to do so. They will be asked either to arrange the matter in the Colony, or (which would be preferable) to name some one to act with you, and to leave to such person and yourself the entire arrangement, subject to the approval of both Parliaments. If the Government of New South Wales do not respond to this proposal, it will be ascertained if the Government of Victoria are inclined to do so. In case of acceptance by either, the fact will be telegraphed to you, and you will then, of course, take care not to bind yourself, or the Government in any way which would prevent your dealing with the representative of the other Colony in equal terms. It would be desirable you should obtain all the information possible; but were you to enter into any engagement, the gentleman with whom you would have to act would have reason to complain. The power given to you, therefore, to enter into a contract subject to the approval of Parliament, you will abstain from exercising, should you be advised by telegraph that joint action with one or more of the other Colonies is practicable.

The prices mentioned for the two services are those which the Government contemplate, in the event of New Zealand having to make its own arrangements with the contractors; but, should one of the other Colonies agree to co-operate, you will probably find that smaller payments will be sufficient. If you are to act for the Government in conjunction with the representative of some other Colony, the written views of the Government can, if necessary, be addressed to you in England.

The Government desire that any contract you may make shall be subject to the approval of the Legislature, and they wish that a clause to this effect be inserted in the contract. The Government will undertake to recommend to Parliament, for approval, any contract you may make within the limit of these instructions.

The whole subject connected with these negotiations is one of great interest to the Government; and as Parliament is expected shortly to meet, it will be important to know exactly how the question stands. I have, therefore, to urge that you will from time to time telegraph to the Government, at sufficient length to be clearly intelligible, what prospects there are of a renewal of the service, and also what is the position of the claim against the contractors. I shall be glad if you telegraph your impressions from California; also, while *en route* across the Continent, if there is anything to telegraph; and finally from New York and London.

You will consider the instructions given to Mr. Gray to be incorporated with your own.

Thomas Russell, Esq., Auckland.

I have, &c.,
JULIUS VOGEL.

No. 47.

The Hon. J. VOGEL to Mr. T. RUSSELL.

SIR,—

General Government Offices, Wellington, 12th April, 1873.

The Government of New Zealand authorize you to enter into negotiations for a mail service between California and New Zealand, or between California, New Zealand, and Australia.

You are in possession of the opinions of the Government upon the subject; and it is only necessary for me to add, that any arrangement you may make must be within the limit of the instructions you have received, and must contain a provision that such arrangement is subject to the approval of the Legislature.

Thomas Russell, Esq., Auckland.

I have, &c.,
JULIUS VOGEL.