

My chief motive in doing this was to protect the contract with your Government, which it was deemed would be better in the hands of a company composed as this was, than it could be in my own, assailed as I was by these very interests.

The contract provides for its assignment to a company intended to be formed for the purpose of carrying out its provisions.

The parties who purchased the interests of both Mr. Holladay and myself were then apparently among the very strongest men in this country, Mr. Stockwell owning large interests in, and controlling the Pacific Mail Steam Ship Company, the largest institution of the kind in the United States, and so far as human foresight could discern, it most certainly appeared that the absolute safety of the contract and the performance of the mail service was secured by that transaction.

I retained an interest in the company, accepted its Presidency at the urgent solicitation of all the stockholders on the formation of the company, and remained connected with it only to secure the subsidy from Congress, and permanency of the mail service, and I thereby incurred additional and certain loss.

Since the formation of the company, Mr. Stockwell has met with serious reverses, has failed to meet his obligations, and has been obliged to ask for an extension of time on his engagements with me and others. The Congress of the United States failed to grant a subsidy in aid of the mail service, and the losses still continuing, it became absolutely necessary to suspend the mail service and withdraw the steamers from the route, all of which was done by Mr. Stockwell's orders, who became President of the company immediately after the failure of Congress to vote a subsidy, at which time I ceased all connection with, or to hold any interest whatever in the company.

Since that time all the affairs of the company, and particularly the movements of the steamers, have been ordered by Mr. Stockwell, independent of my advice.

In conclusion, I would say that the earnest efforts which I have made, the great losses that I have suffered, and good policy on the part of the Government of New Zealand, which you represent, would seem to justify you in not enforcing against Mr. Holladay and myself the claim for the penalties provided for in the contract.

Had the withdrawal of the steamers occurred while they were under my control, by reason of any neglect or disregard of contract obligations by me, the case would be different; but after having struggled with all my power to maintain the service, made such great pecuniary and personal sacrifices in order that the service might be continued, and parted with my property at ruinous rates, it appears to me that the New Zealand Government might with propriety and credit to itself, and with a due regard to its own interests as well as the equity of the case, refuse to add this claim to my other serious losses.

The foregoing is humbly submitted by

The Hon. Julius Vogel, Postmaster-General,  
New Zealand.

Yours, &c.,  
W. H. WEBB.

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### Enclosure 1 in No. 3.

Morgan Iron Works, foot of Ninth Street, East River,  
New York, September 13, 1871.

DEAR SIR,—

In reply to your communication of the 6th inst., we will build the boilers as designated in specifications with the other work necessary, including connections, steam pipe, floor plates, &c., for the sum of \$48,000. We have reluctantly been compelled to slightly increase the price named a short time since, as iron has advanced one half a cent. per lb. in the last five days, and with the increased demand for boilers there is every prospect of being compelled to advance boiler-makers' wages; and if you contemplate building, we would advise completing arrangements at once.

We hardly know what to say in regard to time, as it will all depend on the delay in obtaining the iron; but if we can get it with ordinary promptness, we can complete the work in four months.

Wm. H. Webb, Esq.

Yours respectfully,

JOHN ROACH AND SON.

[This copy letter attested by Edwin F. Coeey, Notary Public, New York.]

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### Enclosure 2 in No. 3.

AGREEMENT entered into this 23rd day of October, in the year one thousand eight hundred and seventy-two, between WILLIAM H. WEBB, of the City of New York, and the CALIFORNIA, NEW ZEALAND, and AUSTRALIA MAIL STEAMSHIP COMPANY, a Corporation duly organized under and by virtue of the laws of the State of New York, and hereinafter called "the Company."

WHEREAS the said Webb is, together with Ben Holladay, of New York, the owner of the three steamships called respectively the "Nevada" and "Nebraska," of about two thousand one hundred and fifty tons each, and the "Moses Taylor," of about twelve hundred tons, constituting the line now known as and called the United States, New Zealand, and Australia Mail Steamship Line, the ownership of said parties being in the proportions following, to wit: Seven-tenths interest in said Webb, and three-tenths interest in said Holladay, and are also interested as contracting parties in several contracts for the carriage of mails by the said vessels, to wit: a contract between the said Webb and Holladay of the one part, and the Honorable Julius Vogel, the Postmaster-General of New Zealand, dated March seventh, one thousand eight hundred and seventy-one; a similar contract with John H. Smith, Minister of Finance of the Kingdom of the Hawaiian Islands, dated April sixteenth, one thousand eight hundred and seventy-two; and a certain other contract with Frederick W. Hutchinson, Minister of the Interior of said Kingdom, dated April sixteenth, one thousand eight hundred and seventy-two; and are in like