

1875.
NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE,

(FURTHER PAPERS RELATIVE TO).

In continuation of Papers presented on the 8th July, 1874.

No. 1.

Copy of DESPATCH from the Right Hon. the Earl of KIMBERLEY to Governor the Right Hon. Sir JAMES FERGUSSON, Bart.

SIR,—

Downing Street, 11th September, 1873.

I have to acknowledge Sir George Arney's Despatch No. 44, of the 7th of June, enclosing a Ministerial memorandum on the subject of the postal service between this country and the Australian Colonies. I communicated a copy of your despatch and the memorandum to the Lords Commissioners of the Treasury, and I transmit to you a copy of the answer which has been received from their Lordships.

Governor the Right Hon. Sir James Fergusson, Bart., &c.

I have, &c.,
KIMBERLEY.

Enclosure in No. 1.

Mr. STRONGE to the UNDER SECRETARY of STATE for the COLONIES.

SIR,—

Treasury Chambers, 3rd September, 1873.

The Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 11th ultimo, forwarding a despatch from the Governor of New Zealand relative to the postal service between this country and the Australian Colonies, from which it appears that New Zealand is perfectly satisfied with the arrangements last decided on by Her Majesty's Government.

In transmitting the Governor's despatch you call attention to the last paragraph of Mr. Vogel's memorandum, which it encloses, to the effect that the New Zealand Ministers respectfully urge the claim of the colony to payment during the last three years and a half for the San Francisco Service on the principle now conceded.

I am commanded to request that you will state to the Earl of Kimberley that my Lords are decidedly of opinion that they would not be warranted in entertaining the proposal submitted in Mr. Vogel's memorandum, inasmuch as they see no reason why an arrangement which is intended to take effect next year, under an entirely new state of things, should be made retrospective.

My Lords would moreover remark, that they have lately decided to give up to the New Zealand Government the surplus over expenses, amounting to £1,534, which had accrued to the Imperial Post Office on the correspondence conveyed by the San Francisco route, since its commencement in March, 1870, up to the 30th June, 1872, and that the news of this concession had not reached New Zealand at the time when Mr. Vogel's memorandum was written.

The Under Secretary of State for the Colonies.

I have, &c.,
CHARLES W. STRONGE,
Pro Sec.

No. 2.

Copy of DESPATCH from Governor the Right Hon. Sir J. FERGUSSON, Bart., to the Right Hon. the Earl of KIMBERLEY.

MY LORD,—

Government House, Auckland, New Zealand, 22nd October, 1873.

The Premier, as Postmaster-General, has addressed to me a memorandum respecting the small extent to which the Imperial Government contributes toward the cost of the mail packet service which was for some time maintained between Great Britain and New Zealand by way of California. He urges that the Imperial contribution was in a much less proportion than has been fixed as fair towards the cost of the new service undertaken jointly by the Governments of New South

Wales and New Zealand; that it appears to have left a certain margin of profit to the Imperial Government; and that some help ought rather to have been given to a Colonial Government through whose enterprise an additional means of communication between the mother country and the colonies has been opened.

2. I think it best in this case to forward a copy of the Ministerial memorandum, as well as of that of the Secretary of the Post Office, on whose calculations the former is partly founded.

3. It can hardly be necessary for me to refer to the great energy which has been displayed by the Government and Legislature of New Zealand in the prosecution of every scheme which offers a prospect of advancement and development, or to remark that it is to the mother country that almost all the profitable earnings of the colony revert beyond what she can herself absorb. But I can assure your Lordship that the liberal co-operation of the Imperial Government in such enterprises as may benefit in common the colony and the Empire, is received by the former with grateful appreciation.

4. I have approved of a copy of Mr. Vogel's memorandum being sent to the Agent of the Colony in London, who will be able, if your Lordship pleases, to afford any further information which may be desired upon the subject.

I have, &c.,

JAMES FERGUSSON.

Governor.

The Right Hon. the Earl of Kimberley.

Enclosure 1 in No. 2.

MEMORANDUM for His Excellency the GOVERNOR.

THE Postmaster-General has the honor to call His Excellency's attention to the little assistance which the colony has received with respect to the Californian Service.

Although New Zealand commenced the service, and was subjected to all the difficulties incidental to the initiation of a new enterprise of the kind, it is yet substantially placed in a very much worse position in respect to the past than the Colony of New South Wales, in conjunction with New Zealand, will be placed in respect to the new service about to be commenced.

The Home Government have paid to New Zealand, on account of the postage receipts for the letters sent by the route, the sum of £1,534 only; whereas if it had applied to this colony the same principle as will regulate its contribution to the new service after the end of this year, New Zealand would have received, it is estimated, about £17,116.

The amount paid to New Zealand is the absolute profit, after defraying the whole of the expenses from San Francisco to New York, including allowance of the British inland rate, and for all charges from London to San Francisco, including allowance for outward British postages, and including also a charge for the cost of transmitting the mails by the Atlantic steamers, although the greater part of the mails were, it is believed, forwarded by a steamer to which the Imperial Post Office did not make any extra payment.

The colony was more liberally treated during the existence of the Panama Service, for in that case the Imperial Government carried the mails free to and from Aspinwall.

The Postmaster-General ventures to ask that His Excellency will represent as strongly as possible, to the Secretary of State for the Colonies, the hardship which it appears to Ministers the colony will sustain as a return for its enterprise in initiating a service which must prove exceedingly important to the Imperial Government, and which has already been very largely used for Imperial purposes, and to urge that the colony may be more liberally dealt with.

It is proposed, if His Excellency does not object, to send a copy of this memorandum to the Agent-General, and to request him to see the Secretary of State for the Colonies on the subject. The Postmaster-General will be glad if His Excellency can see his way to make such a representation to the Secretary of State as will induce him to lend a favourable ear to the representations of the Agent-General.

Wellington, 17th October, 1873.

JULIUS VOGEL.

Enclosure 2 in No. 2.

MEMORANDUM for the Hon. the POSTMASTER-GENERAL.

It is estimated that the postages which would be due to this colony from the Imperial Post Office, if payment were based on the arrangement to be brought into operation on the 1st January next, would amount to £17,116. From this sum may be deducted about £6,000, estimated to have been paid by the London Post Office for the territorial and sea transit of mails between San Francisco and the United Kingdom; as well as a sum of £1,534 credited to this colony in April last, representing, after defraying all charges, the surplus accruing to the London Office on account of the San Francisco Service up to June, 1872.

Although the cost of the transit of the newspaper and book portions of our mails from San Francisco to England, and the cost for conveying the newspaper and book portions of the English mails from New York to San Francisco, was made a charge on this colony, it should be remembered that the Imperial Post Office, by the proposed new arrangement, now undertakes to defray the cost of conveying mails from San Francisco to London and from London to San Francisco; and were this in force during the period of the late service, the accounts would have stood thus:—

| | | | | | |
|-----------------------------|-----|-----|-----|-----|---------|
| Estimated postage | ... | ... | ... | ... | £17,116 |
| Less amount credited colony | ... | ... | ... | ... | 1,534 |
| Balance due colony | ... | ... | ... | ... | £15,582 |

General Post Office, Wellington, 16th October, 1873.

W. GRAY.

No. 3.

The Hon. J. VOGEL to the AGENT-GENERAL.

SIR,—

Colonial Secretary's Office, Wellington, 23rd October, 1873.

I have the honor to enclose copy of a memorandum which has been handed to the Governor, and which his Excellency will forward to the Secretary of State for the Colonies.

I have to ask that you will exert yourself to the utmost in procuring the concession which, as is represented in the memorandum, is considered to be due to the colony.

The memorandum by Mr. Gray has been taken, with some other papers, to Auckland; but a copy of it will be forwarded thence to you.

The Agent-General for New Zealand, London.

I have, &c.,

JULIUS VOGEL.

No. 4.

The AGENT-GENERAL to the Hon. J. VOGEL, Wellington.

SIR,—

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

26th December, 1873.

I have the honor to acknowledge receipt of a memorandum by the Secretary of the Post Office, addressed to the Hon. the Postmaster-General, and forwarded to me at your request by His Excellency the Governor.

I shall avail myself of an early opportunity for pressing the subject thereof on the attention of the Post Office authorities here.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

No. 5.

The AGENT-GENERAL to the Hon. J. VOGEL, Wellington.

SIR,—

7, Westminster Chambers, Victoria Street, Westminster, S. W.,

20th January, 1874.

I have the honor to acknowledge receipt of your letter of 23rd October, requesting me to exert myself to the utmost in procuring the concessions which, according to Mr. Gray's memorandum, are due to the colony.

The memorandum in question reached me under cover of a private letter from His Excellency the Governor, and I anticipated your request in my letter of 26th December, 1873.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

No. 6.

The Right Hon. the Earl of CARNARVON to Governor the Right Hon. Sir JAMES FERGUSSON, Bart.

SIR,—

Downing Street, 23rd February, 1874.

I have to acknowledge the receipt of your Despatch No. 80, of the 22nd October, urging the claims of New Zealand to receive more liberal consideration at the hands of the Imperial Government in respect of the mail packet service which was maintained between the colony and Great Britain by way of California. No. 2 of this series.

Your despatch was referred by my predecessor in this office to the Lords Commissioners of the Treasury for their consideration, and I transmit to you a copy of the answer which has been received from their Lordships.

The letter from this office of the 11th of August last, which is referred to, enclosed a copy of Sir George Arney's Despatch No. 44, of the 7th of June; and the letter from the Treasury of the 3rd September was transmitted to you in my predecessor's Despatch No. 61, of the 11th of that month.

I have, &c.,

CARNARVON.

Governor the Right Hon. Sir James Fergusson, Bart., &c.

Enclosure in No. 6.

Mr. LAW to Mr. HERBERT.

SIR,—

Treasury Chambers, 17th February, 1874.

The Lords Commissioners of Her Majesty's Treasury have had before them Sir H. Holland's letter of the 7th ultimo, transmitting copy of a despatch from the Governor of New Zealand, with its enclosures, urging the claims of the colony to receive more liberal consideration at the hands of the Imperial Government in respect of the mail packet service which was maintained between this country and New Zealand *via* California.

My Lords would refer to your letter of the 11th of August last, transmitting copy of a despatch, dated 7th June last, from the Administrator of the New Zealand Government, urging the claim of the

colony to receive assistance towards the expense of the colonial contract during the last three years and a half of its existence, on the principle which my Lords have since conceded with respect to the future Australian Mail Service, and to the reply of this Board, dated 3rd September last, declining to entertain the proposal, on the ground that there was no reason why an arrangement which was intended to take effect under an entirely new state of things during the next five years should be made retrospective.

I am to request that, in laying these papers before the Earl of Kimberley, you will state to his Lordship that the circumstances now are entirely different to what they were at the period between 1870 and 1872. At that time the Imperial Government paid a moiety of the cost of the mail service between Point de Galle and Sydney, and could not therefore be expected to provide in addition for the free conveyance of the New Zealand mails between this country and San Francisco, thereby taking upon itself a double burden. Now, being relieved from the expense of the Eastern Mail Service, the mother country is in a position to convey without charge the mails to and from San Francisco, Point de Galle, or Singapore, as its share of the Australian Service.

My Lords, however, see no ground for making this arrangement retrospective as regards the New Zealand mails, and they do not consider that they would be warranted in entertaining the present claim; and I am to request that you will move the Earl of Kimberley to cause the colonial authorities of New Zealand to be so informed.

R. G. W. Herbert, Esq., Colonial Office.

I have, &c.,
WILLIAM LAW.

No. 7.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
11th June, 1874.

SIR,—

I have the honor to forward herewith, for the information of the Government, copy of a despatch, with enclosure, received from the Colonial Office on the 3rd instant, on the subject of the claim preferred by the colony to more liberal terms in respect of the former San Francisco mail service.

I have, &c.,
I. E. FEATHERSTON,
Agent-General.

The Hon. the Colonial Secretary, Wellington.

Enclosure in No. 7.

Sir H. T. HOLLAND to Dr. FEATHERSTON.

SIR,—

I am directed by the Earl of Carnarvon to transmit to you for your information a copy of a letter from the Lords Commissioners of the Treasury, dated in February last, on the subject of the claim preferred by the Government of New Zealand to more liberal terms in respect of the mail packet service which was maintained between this country and New Zealand *via* California.

I am, &c.,
H. T. HOLLAND.

The Agent-General for New Zealand.

Vide Enclosure
in No. 6 of this
series.

No. 8.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
10th July, 1874.

SIR,—

I have the honor to forward herewith, for the information of the Government, copy of a despatch which I have addressed to the Colonial Office on the subject of the mail service *via* San Francisco.

I have, &c.,
I. E. FEATHERSTON,
Agent-General.

The Hon. the Colonial Secretary, Wellington.

Enclosure in No. 8.

The AGENT-GENERAL to Sir H. T. HOLLAND.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
1st July, 1874.

SIR,—

In acknowledging the receipt of your letter of the 3rd ultimo, on the subject of the claim made by the New Zealand Government to more liberal terms in respect of the mail packet service *via* San Francisco, I have the honor to remind you that a former claim on the part of the colony was favourably entertained by the Lords of the Treasury, and a sum of £1,534 credited to the Colonial Account as net Imperial gain, or, in other words, the balance accruing after deducting the actual expense of the service.

| | | |
|--|--------|---------------|
| Amount of United States transit rates on the mails forwarded from New York to San Francisco—viz., on letters | | £478 |
| On newspapers | | 1,047 |
| | | <u>£1,525</u> |
| Amount of United States transit and sea rates on the mails forwarded from San Francisco to England—viz., on letters | | £1,688 |
| On newspapers, &c. | | 719 |
| | | <u>£2,407</u> |
| Total cost of Atlantic sea conveyance and United States territorial transit | | £5,744 |
| Deduct amount recovered from New Zealand, being the sum over-paid to the United States for territorial transit of newspapers and books in both directions, and for sea conveyance of the newspapers and books from New York to England | | 1,766 |
| | | <u>£3,978</u> |
| Net total of Imperial payments on account of sea conveyance and territorial transit | | £1,386 |
| Less the British inland rates on homeward letters, &c. | | 1,359 |
| | | <u>£27</u> |

General Post Office, London, 25th July, 1874.

GEORGE CHETWYND,
Receiver and Accountant General.

Enclosure 2 in No. 9.

Mr. HERBERT to the AGENT-GENERAL.

SIR,—

Downing Street, 21st August, 1874.

With reference to your letter of the 1st July, and to the reply from this department of the 6th instant, I am directed by the Earl of Carnarvon to transmit to you a copy of a letter from the Treasury, stating that the Postmaster-General will be authorized to give up to the New Zealand Government the sum of £27, being the net Imperial gain on the mail packet service maintained by New Zealand between the colony and San Francisco, from the 1st July, 1872, until April, 1873.

I have, &c.,

The Agent-General for New Zealand.

ROBERT G. W. HERBERT.

Sub-Enclosure to Enclosure 2 in No. 9.

Mr. STRONGE to Mr. HERBERT.

SIR,—

Treasury Chambers, 18th August, 1874.

The Lords Commissioners of Her Majesty's Treasury have had before them Sir Henry Holland's letter of the 8th ultimo, forwarding a further letter from the Agent-General for New Zealand relative to the mail packet service formerly maintained by that colony between New Zealand and San Francisco.

The Agent-General refers to the concession made under the authority of this Board in April, 1873, when, on his application, it was decided to give up to New Zealand the sum of £1,534—the amount of the surplus over expenses which had accrued to the Imperial revenue from correspondence conveyed in the mails between the United Kingdom and New Zealand, by the route of San Francisco, from the commencement of the colonial packet service in March, 1870, to June, 1872; and he now asks that a similar credit may be given to the colony for such surplus as may have accrued for the subsequent period during which the colonial service was maintained—viz., from the 1st July, 1872, until the 26th February, 1873.

I am directed to request that you will observe to the Earl of Carnarvon that his Lordship is already aware—from a statement which has been furnished to him by the Post Office of the receipts and expenditure connected with this service for the period in question, or rather from 1st July, 1872, until April, 1873, the time at which the colonial service really terminated—that the net Imperial gain amounted during that time to £27 only. This sum my Lords will authorize the Postmaster-General to give up to the New Zealand Government.

I am further to remark, that the smallness of this amount is due to the fact that, during the period referred to, the homeward mails exceeded the outward mails in weight, and also in number—the homeward service having been continued for two or three months after the last outward mail had been despatched for the colony.

As the letters, &c., received from New Zealand figure in the statement which has been furnished to Lord Carnarvon by the Post Office as items of expense only, no Imperial postage being collected on such correspondence, it will be evident that a preponderance of mails received over mails despatched caused a diminution in the amount of the Imperial gain.

I have, &c.,

CHARLES W. STRONGE,
Pro Secretary.

R. G. W. Herbert, Esq., Colonial Office.

No. 10.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
3rd September, 1874.

SIR,— Referring to my letter of the 24th ultimo, on the subject of the former San Francisco Mail Service, I have now the honor to forward copies of further letters from the Colonial Office and the Secretary of the General Post Office, from which it appears that the surplus over expenses, amounting to £27, is proposed to be placed to the credit of the colony in the next postage account.

I have, &c.,

I. E. FEATHERSTON,
Agent-General.

The Hon. the Colonial Secretary, Wellington.

Enclosure in No. 10.

Mr. MALCOLM to the AGENT-GENERAL.

Downing Street, 29th August, 1874.

SIR,— With reference to your letter of the 22nd instant, and to previous correspondence respecting the sum of £27, proposed to be handed over to the Government of New Zealand on account of the San Francisco Mail Service, I am directed by the Earl of Carnarvon to transmit to you, for your information, a copy of a further letter on the subject, which has been received from the Postmaster-General.

I have, &c.,

W. R. MALCOLM.

Dr. Featherston.

Sub-Enclosure to Enclosure in No. 10.

Mr. TILLEY to Mr. HERBERT.

General Post Office, London, 26th August, 1874.

SIR,— I am directed by the Postmaster-General to state to you, for the information of the Earl of Carnarvon, that he has received authority from the Lords Commissioners of Her Majesty's Treasury to give up to the Government of New Zealand the surplus over expenses, amounting to £27, which accrued to this department on the correspondence conveyed in the mails between the United Kingdom and New Zealand by the route of San Francisco, from the 1st July, 1872, until the termination of the colonial mail service in 1873.

Following the course which was pursued in April, 1873, when a sum of £1,534 was given up to the New Zealand Government as the surplus arising from the same service from March, 1870, to June, 1872, the Postmaster-General proposes to place the sum of £27 to the credit of New Zealand in the next postage account forwarded to that colony.

I have, &c.,

JOHN TILLEY.

R. G. W. Herbert, Esq., Colonial Office.

No. 11.

The COLONIAL SECRETARY, New South Wales, to the COLONIAL SECRETARY, New Zealand.

SIR,— Colonial Secretary's Office, Sydney, 11th December, 1873.

I have the honor to forward herewith, for the information of the Government of New Zealand, copies of the interim time-table in connection with the mail service between Sydney and San Francisco; and to state that, in transmitting copies to the Governments of the Australian Colonies, I have intimated that the table has been approved, subject to modification, if found necessary, after your Government shall have been consulted. Not published.

I have accordingly the honor to request the favour of an early expression of your views in regard to this time-table.

I have, &c.,

HENRY PARKES.

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

No. 12.

The Hon. W. H. REYNOLDS to the Hon. the COLONIAL SECRETARY, New South Wales.

SIR,— Colonial Secretary's Office, Wellington, 21st January, 1874.

I have the honor to acknowledge the receipt of your letter, of the 11th December ultimo, forwarding, with remarks, copies of the interim time-table in connection with the mail service between Sydney and San Francisco; and, in reply, to transmit to you copy of a memorandum by the Postmaster-General thereon.

I have, &c.,

WILLIAM H. REYNOLDS,
(in the absence of the Colonial Secretary).The Hon. the Colonial Secretary,
Sydney, New South Wales.

Enclosure in No. 12.

MEMORANDUM for the Hon. the COLONIAL SECRETARY.

THE Postmaster-General has had under consideration the letter from the Colonial Secretary of New South Wales, enclosing an "interim time-table in connection with the mail service between Sydney and San Francisco."

In the absence of a copy of the contract which has been entered into in London, it is impossible to decide what discretion has been left to the two Governments in the matter; but it appears to the Postmaster-General that, unless it is required by the contract that the Postmasters-General of New South Wales and New Zealand should fix the times for the intermediate ports, Kandavau and Honolulu, it might fairly be a question whether those times should not be left to the discretion of the contractors; the two Governments merely requiring that dates fixed by them shall be kept as regards New South Wales, New Zealand, and California, respectively; and that care shall be taken that the steamer at Kandavau shall await the connecting boat from New South Wales or New Zealand, as the case may be.

The Postmaster-General advises the Colonial Secretary to ask the Government of New South Wales to deal with the matter for the next two or three months, but to defer any public announcement until after the contract has been received from England, and the two Governments have had an opportunity of making themselves acquainted with its provisions.

The Postmaster-General thinks it will be hazardous to announce days of arrival at and departure from New York, and days of arrival at Liverpool. He is under the impression that the time allowed in the interim table for the passage across the Atlantic (eleven days) is less than that allowed by the English and American Post Offices. Again, in the interim table, the same number of days is allowed each way, though the average time required for the westerly passage is greater than that occupied in the easterly one; and no allowance is made for the fact that during the winter season long passages cannot be avoided.

The time-table for the Suez Service, as published by the Victorian Post Office—and, it is believed, by the New South Wales Post Office also—does not give dates for intermediate ports, but is confined to Melbourne and Sydney, with the arrivals in and departures from London, *via* Brindisi and *via* Southampton. The Postmaster-General suggests that it would be well in the present case to fix the dates of leaving Sydney, connecting at Kandavau, and arrival at San Francisco, but announcing also the due date in London, the return service being dealt with in a similar manner.

The interim table allows only two or three hours at San Francisco, and involves regularly leaving New York on the day of arrival, an arrangement which it would frequently be impossible to carry out.

Dunedin, 10th January, 1874.

JULIUS VOGEL.

No. 13.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 17th December, 1873.

With reference to the arrangements under which mails from the other colonies may be transmitted *via* Sydney and San Francisco, I am directed to forward, for your information, the accompanying copy of a letter and its enclosures, addressed by this department on the 5th instant to the Postal authorities at Brisbane, Melbourne, Adelaide, and Hobart Town, respectively. With regard to the time-table, I am to state that it has been approved, subject to modification, if found necessary, after communication with the Government of New Zealand.

I have, &c.,

S. H. LAMBTON,

Secretary.

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

Enclosure in No. 13.

Mr. LAMBTON to the POSTMASTER-GENERAL, Brisbane.

SIR,—

General Post Office, Sydney, 5th December, 1873.

I am directed to enclose, for your information, copies of letters forwarded on the 1st instant from this department to the General Post Office, London, relative to the transmission of mails by way of San Francisco.

The Government of this colony has proposed to the Governments of the other Australasian Colonies and New Zealand, that, in lieu of the non-contracting colonies accounting for the actual postage at the stipulated rates, they shall account to New South Wales and New Zealand by weight, as follows,—on all correspondence contained in mails between New Zealand and San Francisco:—

| | | | | | | |
|------------|-----|-----|-----|-----|-----|-----------------|
| Letters | ... | ... | ... | ... | ... | 1s. 7d. per oz. |
| Newspapers | ... | ... | ... | ... | ... | 6d. per lb. |
| Packets | ... | ... | ... | ... | ... | 1s. 6d. per lb. |

I am also directed to forward, for your information and guidance in despatching mails by this route, copies of a letter and table of rates obtained by Mr. Samuel from the General Post Office, London, from which you will learn particulars of the rates to be accounted for to London and the United States, on correspondence forwarded by this route to places other than the United Kingdom.

I am further directed to forward herewith some copies of a temporary time-table for the new service, and of a notice published by this department respecting such services.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Hon. the Postmaster-General, Brisbane.

[Similar letters addressed to the Postmasters-General, Melbourne, Adelaide, and Hobart Town.]

Sub-Enclosure to Enclosure in No. 13.

Mr. LAMBTON to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Sydney, 1st December, 1873.

With reference to the mail service about to be established by the Government of this colony and New Zealand, between Sydney and San Francisco, and between New Zealand and San Francisco, I am directed to forward herewith some copies of a temporary time-table for the service.

2. You will perceive that the first mail will be despatched on the 20th instant, and will be due in London on the 6th February next, and that the first mail is intended to leave London on the 10th January next, and I am to request that you will be so good as to cause mails for this colony to be made up and despatched from Great Britain in accordance with the time-table.

3. The Imperial Government has, as you are aware, agreed to provide for the conveyance of the mails between England and San Francisco free of charge to this colony.

4. So far as regards the despatch from this office, correspondence not otherwise specially marked will be forwarded by the new route, and I am to request that you will have the goodness to issue the necessary instructions that a similar course be pursued with respect to mails forwarded from England.

5. The Government of this colony having offered to convey the mails of the other Australian colonies in consideration of the payment to New South Wales of postage equivalent to the rates now charged on correspondence for the United Kingdom *via* Suez and Southampton, I am further to request that the mails to and from those colonies may likewise be conveyed between England and San Francisco free of charge to the colonies in terms of the letters from the Lords of the Treasury dated 14th and 16th May, and 2nd June, which accompanied Lord Kimberley's despatch of the 13th June last.

6. It has been arranged that each colony shall be at liberty to despatch direct mails by this route, and I am to request that you will be good enough to cause direct mails to be made up in London for each colony. The Post Offices of the respective colonies will no doubt notify to your department to what extent this service is to be used for the transmission of their correspondence from Great Britain.

7. It is intended that the colonies shall be credited by your department with the portion of the postage collected in England, referred to in the correspondence between your department and the Imperial Treasury before adverted to.

8. A copy of the table of rates received from your department by Mr. Samuel, and of your letter to that gentleman of the 1st October last, will be forwarded to the other colonies, in order that they may be put in possession of the rates of postage necessary to be accounted for on American correspondence, and on correspondence for British Columbia and foreign countries sent through the United Kingdom.

I have, &c.,
S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, London.

No. 14.

Mr. PAGE to the POSTMASTER-GENERAL, Wellington.

SIR,—

General Post Office, London, 22nd December, 1873.

In my letter of the 28th ultimo, transmitting copies of the letter-bill proposed to be used with the mails sent from this country to New Zealand under the new arrangement, I stated that only the bulk weight of the several classes of correspondence would be entered in the letter-bill; and that the mode in which the amount due to the colony should be calculated would form the subject of a future communication. Not published.

I am now directed by the Postmaster-General to inform you that a return has been taken here of the total weight of letters, books, patterns, and newspapers sent to the several Australian Colonies during the period of two months; and of the number of single rates of postage levied on each class of correspondence. According to that return, the following rates per ounce or per pound represent closely the amount of postage collected, less the British inland rate, and are the sums which should be accounted for to the Post Office of New Zealand by this department on the mails despatched, *viz.*—

On correspondence despatched *via* Southampton, or *via* San Francisco—

| | | | | | | | |
|------------|-----|-----|-----|-----|-----|-----|-------------------|
| Letters | ... | ... | ... | ... | ... | ... | 1s. 3½ d. per oz. |
| Newspapers | ... | ... | ... | ... | ... | ... | Os. 3⅞ d. per lb. |
| Books | ... | ... | ... | ... | ... | ... | 1s. 2d. per lb. |

On correspondence despatched *via* Brindisi—

| | | | | | | | |
|------------|-----|-----|-----|-----|-----|-----|-------------------|
| Letters | ... | ... | ... | ... | ... | ... | 1s. 2d. per oz. |
| Newspapers | ... | ... | ... | ... | ... | ... | Os. 2½ d. per lb. |
| Books | ... | ... | ... | ... | ... | ... | 1s. 2⅞ d. per lb. |

I am to transmit a copy of the return taken, and to request that you will be good enough to cause the Postmaster-General to be informed whether you will accept the rates proposed to be accounted for.

I have, &c.,
W. J. PAGE.

The Postmaster-General, Wellington.

No. 15.

Mr. GRAY to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 28th September, 1874.

I have been desired to acknowledge the receipt of your letter of the 22nd December last, enclosing copy of the return which had been prepared in your office showing the total weight of letters, books, patterns, and newspapers sent to the several Australian Colonies during the period of two months, and of the number of single rates of postage levied on each class of correspondence. From that return, it had been calculated that the sums which should be accounted for to this office by your department on the mails despatched to this colony would be,—

On correspondence despatched *via* Southampton or *via* San Francisco—

| | | | | | | |
|------------|-----|-----|-----|-----|-----|------------------|
| Letters | ... | ... | ... | ... | ... | 1s. 3½d. per oz. |
| Newspapers | ... | ... | ... | ... | ... | Os. 3½d. per lb. |
| Books | ... | ... | ... | ... | ... | 1s. 2d. per lb. |

On correspondence despatched *via* Brindisi—

| | | | | | | |
|------------|-----|-----|-----|-----|-----|------------------|
| Letters | ... | ... | ... | ... | ... | 1s. 2d. per oz. |
| Newspapers | ... | ... | ... | ... | ... | Os. 2½d. per lb. |
| Books | ... | ... | ... | ... | ... | 1s. 2¾d. per lb. |

And, in compliance with the request made in the concluding portion of your letter, I have the honor to inform you that the Postmaster-General approves of the rates proposed to be accounted for to this colony on the correspondence despatched from the United Kingdom by the respective routes of San Francisco, Southampton, and Brindisi.

2. It is regretted that this reply was not forwarded you at an earlier date.

I have, &c.,

W. GRAY,

Secretary.

The Secretary, General Post Office, London.

No. 16.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 11th April, 1874.

I am directed to forward you the enclosed copy of correspondence which it has been deemed expedient to address to the Postmaster-General, London, in reference to the conveyance of the Australasian mails from England to the United States of America.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington.

Enclosure 1 in No. 16.

The Hon. SAUL SAMUEL to the Hon. the POSTMASTER-GENERAL, London.

SIR,—

General Post Office, Sydney, 11th April, 1874.

Referring to my telegram to you of the 8th instant, copy of which I attach hereto, I have the honor to state that when it was arranged that Tuesday should be the day for despatch from London of the mails for New South Wales *via* San Francisco, it was on the distinct understanding that the Cunard Company intended to run a fast packet on the line between Liverpool and Boston on that day, expressly to expedite the transit of Australian mails and passengers. It would not, however, appear that any but slow steamers have hitherto been employed for this service, for the mails which were despatched from London on the 13th January and 10th February were respectively two and eight days behind time at arrival at Boston, while it seems, from telegraphic information just received, the mails despatched from London on the 10th March were also at least two days late at Boston.

It has been represented that at the same period, when the Australian and New Zealand mails were carried by the Cunard Company's slow steamers, other vessels made quick passages between England and New York. In the case of the February mails, it is alleged a passage was made from England to New York in five days less time than the Boston packet.

It is satisfactory to this colony that the mails have been conveyed on time between Boston and San Francisco, and that the contract time allowed between San Francisco and Sydney has not been exceeded in the case of the February mail, nor would it have been in that of the January mail had it not been for the unfortunate circumstance of the steamship "Macgregor" going ashore at Kandavau.

So far as this new mail service has yet proceeded, it is evident that if the arrangements as regards the transit across the Atlantic Ocean were more satisfactory than they are, the San Francisco route, in which is concerned the interests of the whole of the Australian Colonies and New Zealand, with a population of upwards of 2,000,000, would soon become a very expeditious and popular one.

Having pointed out the circumstances which militate against the success of the San Francisco service, I have to ask that you will kindly use your influence with the Cunard Company to obtain a quick steamer for the carriage of Australian mails on Tuesday, as fixed by the time-table.

If a quick steamer to Boston cannot be secured on the Tuesday in question, there appears to be no alternative but to change the day of despatch from London to the Thursday following, when the mail would be carried by more expeditious vessels to New York.

It is to be regretted that the colonies have only the choice of three days for despatch from London, viz., Tuesday, Thursday, and Saturday; otherwise the fast steamships of the White Star Line would be available for the transit of Australian mails to New York on Wednesday. It may not be inopportune here to remark that when I was in London I was informed that the proprietors of the White Star Line were disposed to carry the Australian mails without any charge upon the Imperial Government. If this be the case, your department might be able to arrange with that Company for the carriage of these mails on the Wednesday following the Tuesday now fixed for despatch. The Australasian passenger and goods traffic would doubtless follow the mails, and thus some advantage would accrue to the White Star Company from the concession.

The plan which the United States Government adopts of sending the mails to the United Kingdom by the fastest steamers which run between New York and England, affords to the Australasian Colonies far greater advantages, as regards the speedy conveyance of the mails, than the system adopted by your department, of restricting the conveyance to certain packets and to certain days.

Relying upon your good offices in the development of the San Francisco Service, which is largely subsidized by this colony and New Zealand.

I have, &c.,
SAUL SAMUEL,
Postmaster-General.

The Right Hon. the Postmaster-General, London.

Enclosure 2 in No. 16.

The Hon. the POSTMASTER-GENERAL, Sydney, to the Hon. the POSTMASTER-GENERAL, London.

(Telegram.)

Sydney, 8th April, 1874.

FEBRUARY mails *viâ* San Francisco seven days late to Boston, causing great dissatisfaction here. This Government will be glad if you will influence Cunard Company to put on fast boat for Australian mails, as promised, or will you send by other fast line to New York. Time kept on Pacific. Reply—charge to us.

No. 17.

The Hon. J. VOGEL to the Hon. the POSTMASTER-GENERAL, New South Wales.

SIR,—

General Post Office, Wellington, 4th May, 1874.

I have had submitted to me the letter of the 11th ultimo addressed to this department by the Secretary of the General Post Office, Sydney, enclosing, by direction, a copy of the communication you deemed it expedient to forward the Postmaster-General, London, in reference to the transmission of the Australian and New Zealand mails from England to the United States, and I have to express my approval of the action taken by you in drawing the attention of the Imperial Post Office authorities to the serious delays complained of.

2. I desire, however, to point out that it does not appear your Government have the power, under the contract, to alter the fixed dates for the departure of the San Francisco mails from London without a reference to this colony; and I think it would be well, for the future, that this Government should first be consulted before any authority is given for disturbing the dates fixed by the published time-table. I may further mention that, as far as this colony is concerned, it is not the case that the vessels have performed the service within contract time. Making allowances for the detention caused by the "Macgregor," and in one case abstaining from taking into account the gain of time on the return voyage in crossing from East to West, the time has exceeded the longest of the three rates of time provided by the contract.

I have, &c.,
JULIUS VOGEL.

The Hon. the Postmaster-General, New South Wales.

No. 18.

The Hon. SAUL SAMUEL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

General Post Office, Sydney, 4th June, 1874.

I have the honor to acknowledge the receipt of your letter, dated the 4th ult., relative to the communication which I addressed to the Postmaster-General, London, on the 11th April last, in reference to the transmission of the Australasian and New Zealand mails from England to the United States.

With regard to the second paragraph of your letter, I have to point out that, in my communication to the London office, I did not propose to alter the time-table, but merely suggested that if a fast steamer could not be secured from London on Tuesday, there would be no alternative but to change the day of despatch to Thursday.

I may add that I had, and have, no desire to take any action in the matter of the mail service *viâ* San Francisco without consulting with the New Zealand Postal authorities, in accordance with the provisions of the contract.

I have, &c.,
SAUL SAMUEL,
Postmaster-General.

The Hon. the Postmaster-General, Wellington.

No. 19.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 9th September, 1874.

With reference to previous correspondence respecting the late arrival at Boston of the mails for New South Wales, New Zealand, &c., I am directed to forward herewith, for the information of the Postmaster-General of New Zealand, copy of a letter on the subject which has been received from the General Post Office, London.

I have, &c.,

S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, New Zealand.

 Enclosure in No. 19.

Mr. SCUDAMORE to the POSTMASTER-GENERAL, New South Wales.

SIR,—

General Post Office, London, 18th June, 1874.

Enclosure 1 in
No. 16 of this
series.

I am directed by the Postmaster-General to acknowledge the receipt of your letter of the 11th April last, explaining in detail the object of your telegram despatched a few days previously on the subject of the vessels employed by the Cunard Company to convey across the Atlantic the outward mails for New South Wales and New Zealand.

As the Postmaster-General, on the receipt of the telegram, had placed it in the hands of the Agent-General for New South Wales, and had requested him, in conjunction with the Agent-General for New Zealand, to communicate with the Cunard Company in reference to the understanding said to have been come to with them, his Lordship has, with a like object, transmitted to the Agent-General a copy of your letter, and he has received a reply stating that Sir Charles Cowper has reported to the Chief Secretary at Sydney the result of his communication with Messrs. Cunard.

With reference to that part of your letter in which you state that the mails for Australia and New Zealand, which were despatched from London on the 13th January last, arrived at Boston two days behind time, that the mails despatched on the 10th February were eight days behind time, and that the mails despatched on the 10th March were at least two days behind time, I am directed to observe that you must be under some misapprehension.

In the fourth quarter of 1873, when you made the arrangement for despatching the Australian and New Zealand mails from London on every fourth Tuesday, the table-time for each voyage from Queenstown to Boston was eleven days, as will be seen by the enclosed time-table for that quarter.

The average length of time actually occupied in the voyages during the last six months of 1873 was twelve days ten hours.

The mails of the 13th January were conveyed from Queenstown to Boston in eleven days thirteen hours; the mails of the 10th February in fourteen days thirteen hours; and the mails of the 10th March in ten days fourteen hours.

It will thus be seen that, out of the three mails, one arrived before time, one was only thirteen hours after time, and the third, instead of being eight days late as stated in your letter, was only three days thirteen hours late, and this at the very worst season of the year for an Atlantic voyage.

The Postmaster-General, Sydney.

F. I. SCUDAMORE.

 No. 20.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 1st October, 1874.

I have the honor to acknowledge, with thanks, the receipt of your letter of the 9th ultimo, enclosing copy of a communication from the General Post Office, London, with reference to the conveyance of the New South Wales and New Zealand mails between Liverpool and Boston.

I have, &c.,

W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

 No. 21.

The AGENT-GENERAL to the Hon. J. VOGEL.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

SIR,—

17th April, 1874.

I have the honor to bring under your consideration the following circumstances.

It would appear that the Hon. Saul Samuel arranged that the San Francisco mails should be sent from London to Boston instead of to New York, under the impression, no doubt, that time would be gained.

It turned out, however, that the steamers at Boston were exceedingly slow boats, and the result was that the steamers on two if not three occasions were kept waiting some days at San Francisco for the mails.

At the request of the contractors I waited upon the Post Office authorities, with the view of having the mails despatched to New York, when I was informed that Messrs. Cunard had that very day notified that such was their intention from and after the 31st ultimo, and that they would continue to do so during the summer, reverting back, however, to the Boston arrangement during the winter.

I am given to understand that Messrs. Cunard recommend that the mails should be despatched throughout the whole year in their boats, which leave Liverpool on Saturday; but this of course would involve an alteration in the time-table.

The fastest boats between Liverpool and New York are unquestionably those of the White Star Line, but then the Post Office has only contracts with Messrs. Cunard and Messrs. Inman and Co.

Perhaps, after conferring with the Government of New South Wales, you will deem it advisable to instruct me on the questions now suggested.

I have, &c.,

I. E. FEATHERSTON,
Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

No. 22.

The Hon. J. VOGEL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 15th June, 1874.

I have the honor to acknowledge the receipt of your communication of the 17th April last, bringing under my notice the delays which have occurred in the transmission of the colonial mails from Liverpool to Boston, and informing me it had been arranged, as a temporary measure, that the mails would, from the 31st March last and during the summer months, be forwarded to New York instead of Boston.

2. I have to thank you for the attention you have given to the subject, as well as for the valuable suggestions contained in your letter, a copy of which I have forwarded to the Postmaster-General of New South Wales, with the request that he will favour me with his opinions upon it at his earliest convenience.

3. When I receive a reply, I will again communicate with you on the subject.

I have, &c.,

JULIUS VOGEL.

The Agent-General for New Zealand, London.

No. 23.

The Hon. J. VOGEL to the Hon. the POSTMASTER-GENERAL, New South Wales.

SIR,—

General Post Office, Wellington, 15th June, 1874.

By the Brindisi mail, which has just arrived, I have received a communication from the Agent-General for this colony, in which he directs my attention to the delays the New South Wales and New Zealand mails have suffered in transmission between Liverpool and Boston—a matter you brought under the notice of the Postmaster-General, London, on the 8th of April last.

2. The Agent-General, at the request of the contractors, waited upon the London Post Office authorities with the view of having the mails despatched to New York, and thus to prevent a continuance of the delays. He found, however, that the Cunard Company, with the concurrence of the Post Office Department, had already decided to convey the mails to New York instead of to Boston—during the summer months only, the Boston route to be again adopted in the winter.

3. The Cunard Company have recommended that the mails should be despatched throughout the whole year by their fast steamers which leave Liverpool every Saturday.

4. I forward you a copy of the Agent-General's letter for your information, in the hope that you will be good enough to favour me with your views thereon at your earliest convenience.

5. Should it be considered advisable to change the days of the despatch of the mails from London, a corresponding alteration would have to be made in the despatch of mails from this side. In any case, it seems to me the time-table might with advantage be altered so as to allow a longer interval between the arrival of the inward and the departure of the outward mails. The result under the existing time-table is that, whenever the inland mails are late in arriving, the despatch of the return mails is necessarily of a hurried character, and but little time is afforded for replying to letters received. I would also suggest that one day later should be fixed for the steamers leaving Auckland for Kandavau, experience having shown that with a later departure the vessels would still arrive in Kandavau as soon as the steamer from New South Wales. Not only does this colony suffer through the mails leaving unnecessarily early, but the delay at Kandavau presses hardly on the contractors, since it lengthens the time for performing the outward service, and thus occasions to the contractors either additional penalties or a less rate of bonus, as the case may be.

I have, &c.,

JULIUS VOGEL.

The Hon. the Postmaster-General, New South Wales.

No. 24.

The Hon. SAUL SAMUEL to the Hon. J. VOGEL.

SIR,—

General Post Office, Sydney, 11th August, 1874.

I have the honor to acknowledge the receipt of your letter dated the 15th of June last, enclosing a communication from the Agent-General of your colony, in which he directs attention to the delays in the transmission of the New South Wales and New Zealand mails between Liverpool and Boston, and mentions a recommendation from the Cunard Company, that the mails should be despatched throughout the whole year by their fast steamers leaving Liverpool every Saturday, which, as you observe, would involve a corresponding alteration in the day of the despatch of the homeward mails. In asking my views on this point, you further remark that in any case you think the time-

table might with advantage be altered so as to allow a longer interval between the arrival of the inward and the departure of the outward mails.

I quite agree with you that some alteration of the time-table is necessary; but I consider that the whole matter had better stand over until the permanent service is about to commence, before which period I will address you further on the subject.

The Hon. the Postmaster-General, Wellington.

I have, &c.,
SAUL SAMUEL.

No. 25.

The Hon. J. VOGEL to the Hon. the POSTMASTER-GENERAL, New South Wales.

SIR,— General Post Office, Wellington, 11th September, 1874.

I have the honor to acknowledge, with thanks, the receipt of your letter of the 11th ultimo, respecting the transmission of the New South Wales and New Zealand mails between Liverpool and America.

The Hon. the Postmaster-General, New South Wales.

I have, &c.,
JULIUS VOGEL.

No. 26.

The Right Hon. the SECRETARY of STATE to Governor the Right Hon. Sir JAMES FERGUSSON, Bart., &c., &c.

SIR,— Downing Street, 19th March, 1874.

With reference to previous correspondence, I transmit to you, for your information, an extract from a letter from the Foreign Office, relating to the question of the harbour to be decided upon in the Fiji Islands, as a place of call for the line of mail steamers between Sydney and San Francisco.

Governor the Right Hon. Sir James Fergusson, Bart., &c.

I have, &c.,
CARNARVON.

Enclosure in No. 26.

EXTRACT from a LETTER from Mr. LISTER to the UNDER SECRETARY of STATE, Colonial Office, dated Foreign Office, 12th March, 1874.

“THE harbour of Levuka, is, however, considered, according to the Consul’s report, to be preferable to Ngaloa Bay as the calling-place of the steamers in question, as it is the central place of the Fiji trade, and possesses a harbour available for use by night and day, whereas Ngaloa Bay is dangerous, owing to the leading marks being distant from five to seven miles from the entrance of the reef.”

No. 27.

The Hon. SAUL SAMUEL to the Hon. the POSTMASTER-GENERAL.

SIR,— General Post Office, Sydney, 17th July, 1874.

I have the honor to enclose herewith, for your information, a copy of a letter received from the General Post Office, London, respecting a request made by the Director-General of the French Post Office for the use of the mail service, *via* San Francisco, in transmitting closed mails between France and New Caledonia.

It is stated that, if the packets were maintained by the Imperial Post Office, the rate of payment for the conveyance of closed mails from France, as fixed by the terms of the Postal Convention between that country and the United Kingdom, would be, for a distance exceeding 2,000 miles,—for letters, 1f. 20c. per 30 grammes; for printed papers and patterns, 1f. per kilogramme; but that as the service in question is supported by this colony and New Zealand, it remains for the Postal Departments of the two colonies to determine whether they will accept the same rates of payment.

I shall be glad to be made acquainted with your opinion upon this proposition. It seems to me that the arrangement proposed by the London postal authorities might be temporarily acceded to, but that they should be apprised of the conditions of the contract for the California service, as providing for the conveyance of all mails between the United Kingdom, other countries, and the Australian colonies, and that the contractors are entitled to subsidies or payments for the conveyance of mails of other countries; so that, if closed mails are required to be carried between France and New Caledonia by the San Francisco mail steamers, the French Government ought to grant a subsidy to the contractors for the proposed service, the same being foreign to their contract.

The Hon. the Postmaster-General, Wellington.

I have, &c.,
SAUL SAMUEL.

No. 28.

The Hon. J. VOGEL to the Hon. the POSTMASTER-GENERAL, New South Wales.

SIR,— General Post Office, Wellington, 11th September, 1874.

I have the honor to acknowledge the receipt of your communication of the 17th July last, enclosing copy of a letter received from the General Post Office, London, respecting a request made

by the Director-General of the French Post Offices to make use of the San Francisco mail steamers for the transmission of closed mails between France and New Caledonia.

2. In compliance with your request, I have to state that generally I concur with your views, and approve of the course you propose should be adopted. I have to suggest, however, that before a final reply is forwarded to the General Post Office, London, it would be desirable to await until such time as the terms of the new contract have been arranged, should circumstances render it necessary that a fresh contract be entered into.

The Hon. the Postmaster-General, New South Wales.

I have, &c.,
J. VOGEL.

No. 29.

The Hon. H. PARKES to the Hon. the COLONIAL SECRETARY.

SIR,—

Colonial Secretary's Office, Sydney, 3rd August, 1874.

I have the honor to enclose, for the consideration of your Government, a copy of a minute by the Hon. Saul Samuel, Postmaster-General of this colony, on the subject of the charge for postage of letters, &c., despatched from the United Kingdom to Fiji, together with a copy of the correspondence to which Mr. Samuel refers as having been initiated by him when he was in London, relative to the necessity of some arrangement for the conveyance of mail matter from the United Kingdom, addressed to Fiji and other islands in the Pacific Ocean, by the mail service *via* San Francisco.

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

I have, &c.,
HENRY PARKES.

Enclosure in No. 29.

The Hon. SAUL SAMUEL to the Hon. the COLONIAL SECRETARY.

REFERRING to the despatch of Lord Carnarvon to His Excellency the Governor, covering communications from the Treasury and the Postmaster-General of England upon the subject of the charge for postage on letters, &c., from the United Kingdom to Fiji, which have been referred to this department, I forward the enclosed copy of correspondence, initiated by me whilst in London, relative to the necessity of some arrangement being made by the Imperial Government for the conveyance of mail matter from the United Kingdom, addressed to the Fiji and other islands in the Pacific Ocean, by the mail service established *via* San Francisco, and suggest that such copy of correspondence be forwarded to the New Zealand Government, whose opinion and concurrence it will be necessary to obtain before any decision can be arrived at, and communicate to the English postal authorities upon the proposal submitted by them. *Vide* F. 2, 1874, Enclosures 1, 2, and 3 in No. 5.

It seems to me that the justice of the case may be met by the London Office accounting to this colony and New Zealand for rates on correspondence posted in the United Kingdom for Fiji, &c., the same as are accounted for on correspondence from the United Kingdom addressed to the Australasian colonies. In the event of this being agreed to, half the amount might be credited by London to the New Zealand Post Office and half to this office.

With regard to the mails from Fiji for Great Britain, in the present state of affairs at Fiji perhaps those mails might continue to be conveyed without charge until a Postal Convention can be made with the proper authorities at that place.

31st July, 1874.

SAUL SAMUEL.

Sub-Enclosure 1 to Enclosure in No. 29.

The Hon. SAUL SAMUEL to the Right Hon. the SECRETARY of STATE for the COLONIES.

MY LORD,—

London, 25th November, 1875.

Having already informed you of the establishment, by the Governments of the colonies of New South Wales and New Zealand, of a mail service once in every four weeks between San Francisco and those colonies by way of Honolulu and Kandavau (Fiji), I now do myself the honor to submit for your Lordship's consideration the following special circumstances upon which it is deemed a fair claim can be made upon the Imperial Government for some assistance in the shape of a subsidy towards maintaining this service, beyond the aid which has already been granted in the form of the free transit of the Australasian mails between Great Britain and San Francisco, and the outward postage on correspondence forwarded by this route, less the inland British postage. *Vide* F. 2, 1874, Enclosures 1, 2, and 3 in No. 5.

2. That the establishment of this mail line will afford direct and rapid communication between Great Britain and Honolulu, Fiji, and the islands of the Pacific, and will thus materially promote the annually increasing commerce between those places. In support of this statement, I may mention that the value of produce and manufacture exported from Great Britain to the islands of the Pacific in the nine months ended the 30th September, 1873, is stated in the commercial article in the *Times* of the 17th instant to be £72,923, against £27,737, the value of the produce and manufacture exported during a corresponding period of the year 1872. These figures show the present magnitude and the growing nature of this trade, which it would appear to be the interest of Her Majesty's Government to foster and encourage by providing regular and speedy mail communication.

3. That amongst the islands of the Pacific Her Majesty maintains a considerable fleet of war ships, which can only be communicated with at the present time by the circuitous route *via* Suez and Sydney. The establishment of regular communication between San Francisco and Fiji will enable the Imperial Government to communicate direct with this fleet.

4. I trust that the consideration of the special advantages which will accrue to the British community from the establishment, at great cost to the colonies of New South Wales and New Zealand, of the mail service in question, will induce the Imperial Government to grant the special aid herein sought to be obtained.

The Right Hon. the Secretary of State for
the Colonies, London.

I have, &c.,
SAUL SAMUEL,
Postmaster-General of New South Wales.

Sub-Enclosure 2 to Enclosure in No. 29.

Sir H. T. HOLLAND to Mr. SAMUEL.

SIR,—

Downing Street, 11th December, 1873.

With reference to your letters of the 22nd of October and 25th of November, I am directed by the Earl of Kimberley to transmit to you a copy of a letter from the Lords Commissioners of the Treasury, expressing their inability to accede to your request for special aid towards the mail service established by New South Wales and New Zealand, *viâ* San Francisco, beyond that which has been already granted.

S. Samuel, Esq.

I have, &c.
H. T. HOLLAND.

Sub-Enclosure 3 to Enclosure in No. 29.

Mr. LAW to Mr. HERBERT.

SIR,—

Treasury Chambers, 9th December, 1873.

The Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 2nd instant, transmitting copy of a letter from the Postmaster-General of New South Wales, urging the grant of a subsidy from the Imperial Government towards the maintenance of the mail service established by the Governments of the Colonies of New South Wales and New Zealand between San Francisco and those colonies, by way of Honolulu and Kandavau (Fiji). I am directed by their Lordships to request that you will state to the Earl of Kimberley that my Lords must confine themselves to the offer contained in the letter of this Board of the 16th of May last, the purport of which was forwarded by him, at their request, by telegram to the Governments of the various colonies concerned, and that you will move his Lordship to cause Mr. Samuel to be informed that my Lords cannot accede to his request for special aid towards the service in question, beyond that which has been already granted.

R. G. W. Herbert, Esq., Colonial Office.

I have, &c.,
WILLIAM LAW.

Sub-Enclosure 4 to Enclosure in No. 29.

The Hon. SAUL SAMUEL to Sir H. T. HOLLAND.

SIR,—

London, 20th December, 1873.

I do myself the honor to acknowledge the receipt of your letter, dated the 11th instant, transmitting, by direction of the Earl of Kimberley, a copy of a letter from the Lords Commissioners of the Treasury, expressing their inability to accede to my request for special aid towards the mail service established by New South Wales and New Zealand *viâ* San Francisco, beyond that which has been already granted.

2. I beg respectfully to point out that the letter of 16th May, 1873, referred to by the Lords Commissioners of the Treasury, the substance of which letter is, I presume, contained in the telegram of the Right Hon. the Secretary of State for the Colonies to His Excellency the Governor of New South Wales, dated 16th May last, only makes provision in regard to correspondence from the United Kingdom addressed to the Australasian Colonies. It would appear that their Lordships have overlooked the fact that it is requisite that some arrangement should be made by the Imperial Government for the conveyance of correspondence of the United Kingdom addressed to Fiji and other islands in the Pacific Ocean. I should feel obliged if you will again call the Earl of Kimberley's attention to this matter, with a view to its receiving further consideration.

Sir H. T. Holland.

I have, &c.,
SAUL SAMUEL,
Postmaster-General of New South Wales.

Sub-Enclosure 5 to Enclosure in No. 29.

The Right Hon. the Earl of KIMBERLEY to Governor Sir HERCULES ROBINSON, K.C.M.G.

SIR,—

Downing Street, 6th February, 1874.

With reference to previous correspondence relating to the Australian Mail Service, I transmit to you, for the consideration of your Government, a copy of a letter from the Lords Commissioners of the Treasury, enclosing one from the General Post Office respecting the conveyance, by the mail service *viâ* San Francisco, of the correspondence between this country and Fiji.

I request that after communicating with the Government of New Zealand you will furnish me with the information desired as to the sea rates which should be accounted for for the conveyance of correspondence from San Francisco to Kandavau.

Governor Sir Hercules Robinson, K.C.M.G.

I have, &c.,
KIMBERLEY.

Sub-Enclosure 4 to Enclosure in No. 29.

Mr. LAW to Mr. HERBERT.

SIR,—

Treasury Chambers, 28th January, 1874.

With reference to Mr. Holland's letter of the 31st December last, transmitting, by desire of the Earl of Kimberley, copy of a further communication from the Postmaster-General of New South Wales respecting the conveyance, by the mail service *viâ* San Francisco, of the correspondence between this country and Fiji and other islands in the Pacific Ocean, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit to you a copy of a report from the Postmaster-General, dated the 16th instant.

2. I am to request that, in laying these papers before the Earl of Kimberley, you will move his Lordship to address the necessary communications to the Governments of New South Wales and New Zealand, and to inquire what sea rates they require to be accounted for to them for the conveyance of correspondence from San Francisco to Kandavau.

R. G. W. Herbert, Esq., Colonial Office.

I am, &c.,
WILLIAM LAW.

Sub-Enclosure 5 to Enclosure in No. 29.

Mr. LYON PLAYFAIR to the LORDS COMMISSIONERS of the TREASURY.

MY LORDS,—

General Post-office, London, 16th January, 1874.

In returning the enclosed letter from the Colonial Office, referred to me on the 12th instant, I have the honor to state that it has hitherto been the practice of this department to forward all correspondence addressed to the Fiji Islands in the mails for Sydney, but that, as the packets established by the New South Wales and New Zealand Governments are to call at Kandavau (Fiji), on their voyage from San Francisco, orders have been given that mails for Kandavau shall be made up by each despatch, and that all the correspondence for the Fiji Islands shall be sent in such mails.

No correspondence for other islands in the Pacific Ocean will be sent to Kandavau, in the absence of information as to the means by which it could be forwarded from Kandavau to its destination.

All correspondence addressed to the Fiji Islands continues to be charged at the same rates of postage as correspondence addressed to the Australian Colonies—that is, 6d. per half-ounce letter, and 1d. per newspaper of 4 oz. or under.

Out of these rates, this department will have to pay the United States transit charges.

It is desirable that the New South Wales and New Zealand Governments should state what sea rates they require to be accounted for to them for the conveyance from San Francisco to Kandavau, and when this has been done it will be seen whether the postage now levied on the correspondence is sufficient to cover the total payment, or whether it will be necessary to raise the postage.

It is to be regretted that the Postmaster-General of New South Wales, to whom this point was mooted, did not come to some decision on the subject before he left London.

The Lords Commissioners of Her Majesty's Treasury.

I have, &c.,
LYON PLAYFAIR.

No. 30.

The Hon. W. H. REYNOLDS to the Hon. the COLONIAL SECRETARY, New South Wales.

SIR,—

Colonial Secretary's Office, Wellington, 15th September, 1874.

I have the honor to acknowledge the receipt of your letter of the 3rd ultimo, in which you enclose, for the consideration of the Government, a copy of a minute by the Postmaster-General of New South Wales on the subject of the charge for postage of letters, &c., despatched from the United Kingdom to Fiji, together with a copy of the correspondence to which Mr. Samuel refers as having been initiated by him when he was in London, relative to the necessity of some arrangement for the conveyance of mail matter from the United Kingdom, addressed to Fiji and other islands in the Pacific Ocean, by the mail service *viâ* San Francisco.

2. I beg to thank you, on behalf of the Government of New Zealand, for your letter and its enclosures, and to inform you that we concur in the recommendation made by the Hon. Mr. Samuel in regard to the carriage of Fiji mails as a temporary arrangement, but suggest that if after a year or so Kandavau should continue to be a port of call for the Pacific mail steamers, the Fiji Government should be required to pay a subsidy for the advantage conferred upon those islands.

The Hon. the Colonial Secretary, New South Wales.

I have, &c.,
WILLIAM H. REYNOLDS.

No. 31.

Mr. HALLORAN to the Hon. the COLONIAL SECRETARY.

Colonial Secretary's Office, Sydney, New South Wales,
5th October, 1874.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 15th ultimo, in reply to my communication of the 3rd August last, in regard to the carriage of mail matter from the United Kingdom, addressed to Fiji and other islands of the Pacific Ocean, by the mail service *viâ* San Francisco.

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

I have, &c.,
HENRY HALLORAN,
(for Colonial Secretary).

No. 32.

Mr. HERBERT to Governor the Most Hon. the Marquis of NORMANBY, K.C.M.G.

MY LORD,—

Downing Street, 29th January, 1875.

With reference to Sir James Fergusson's Despatch No. 67, of the 11th of September, I have the honor to transmit to you, for your information, a copy of a letter from the Post Office on the subject of the arrangements for the transmission of correspondence to and from Fiji, carried by the mail packets of New South Wales and New Zealand.

I have, &c.,

R. G. W. HERBERT,
(for the Earl of Carnarvon).

Governor the Most Hon. the Marquis of Normanby, K.C.M.G.

Enclosure in No. 32.

Mr. TILLEY to Mr. HERBERT.

SIR,—

General Post Office, London, 26th January, 1875.

I have laid before the Postmaster-General your letter of the 16th instant, enclosing copy of a despatch from the Governor of New South Wales, reporting the terms on which the Governments of that colony and New Zealand, conjointly, are prepared to carry, by their mail packets between San Francisco and Sydney, the closed mails exchanged between the United Kingdom and Fiji.

I am to request that you will be good enough to state to the Earl of Carnarvon that the arrangement suggested in the despatch of Sir Hercules Robinson is already being acted upon by this department, the Governor of New Zealand having announced in his despatch of the 11th September last, copy of which was transmitted in your letter of the 28th November, that his Government had come to an agreement with the Government of New South Wales with respect to the postage to be accounted for by this department to the Post Offices of New Zealand and New South Wales on correspondence to and from Fiji carried by the colonial mail packets.

According to this arrangement, the sea postage to be accounted for, as a temporary measure, on the correspondence in question will be at the same rates as upon that addressed to or received from Australia, and the amounts thus accruing will be credited in equal proportions to the New Zealand and New South Wales Post Offices in the accounts prepared by the Receiver and Accountant-General of this department.

R. G. W. Herbert, Esq., Colonial Office.

I have, &c.,

JOHN TILLEY.

No. 33.

The Right Hon. the SECRETARY of STATE for the COLONIES to Governor the Most Hon. the Marquis of NORMANBY.

SIR,—

Downing Street, 23rd March, 1875.

With reference to my Despatch No. 8, of the 29th January last, respecting the Fijian postal accounts, I have the honor to transmit to you a copy of a letter from the General Post Office, suggesting that some arrangement may be arrived at between the Colonies of New South Wales, New Zealand, and Fiji, in reference to letters prepaid in Fiji by means of local stamps.

I have communicated a copy of the correspondence on this subject to Sir Arthur Gordon, and have requested him on his arrival in Fiji to communicate with you and with the Governor of New South Wales on this subject.

Governor the Most Hon. the Marquis of Normanby, K.C.M.G.

I have, &c.

CARNARVON.

Enclosure in No. 33.

Mr. TILLEY to Mr. HERBERT.

SIR,—

General Post Office, London, 18th March, 1875.

In my letter of the 26th January last, I informed you, by direction of the Postmaster-General, that, in conformity with the course prescribed by the Governments of New South Wales and New Zealand, this department would account to the Post Offices of those colonies, in equal proportions, for the sea rates of postage due upon correspondence to and from Fiji, carried by the colonial packets which are employed in the conveyance of mails between San Francisco and Sydney and Auckland.

I am now directed by the Postmaster-General to request that you will state to the Earl of Carnarvon that, while postage sufficient to cover the payments which have thus to be made to New South Wales and New Zealand, and the amount which is payable to the United States Post Office for the territorial transit of the correspondence for Fiji, and the territorial and sea postage of the correspondence from Fiji, is being collected in this country on all the letters sent or received, it is observed that Fijian postage stamps are affixed to many of the letters which arrive from the new colony, so that the senders are probably under the impression that the postage has been prepaid.

It seems desirable that some arrangement, in respect of letters prepaid in Fiji, by means of local stamps, should be come to between the three colonies, and the Postmaster-General will be glad if Lord Carnarvon will suggest that course to the colonial authorities.

R. G. W. Herbert, Esq., Colonial Office.

I have, &c.,

JOHN TILLEY.

No. 34.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—
General Post Office, Sydney, 31st May, 1875.
With reference to previous correspondence respecting the application of the French Post No. 27 of this Office to make use of the San Francisco mail steamers for the transmission of closed mails between France and New Caledonia, I am directed to transmit herewith, for the information of the Postmaster-General of New Zealand, copies of further letters which have been received from the General Post Office, London, on the subject, and of the reply thereto which has been forwarded by this department.

I have, &c.,
S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, Wellington.

 Enclosure 1 in No. 34.

Mr. PAGE to the POSTMASTER-GENERAL, Sydney.

SIR,—
General Post Office, London, 9th March, 1875.
Referring to my letter of the 4th May last, and to your reply of the 3rd October following, I am directed by the Postmaster-General to inform you that he has received a communication from the French Post Office, stating its intention, commencing with this present mail, of making use of the route of England, the United States, and Sydney, for the transmission of closed mails between France and New Caledonia.

Mails from New Caledonia for France will be forwarded *viâ* Melbourne and Suez, addressed to the offices of Alexandria, Marseilles, and Modane to Paris; and mails will be made up for transmission to the Travelling Office, Calais, to Paris, *viâ* the United States. Nevertheless, it is the wish of the French Post Office that the mails for Marseilles, Modane to Paris, and Calais to Paris, should be forwarded by the first despatch from Australia after their arrival in Sydney, without regard to their superscription. On the other hand, the mail addressed to Alexandria should always be sent by the route of Melbourne and Suez, even on those occasions when its arrival at Sydney coincides with the departure of a mail for San Francisco.

In conveying to you the above information, I have to request that you will be good enough to give such instructions to your officers as will insure a compliance with the wishes of the French Post Office.

I have, &c.,
W. J. PAGE.

The Postmaster-General, Sydney.

 Enclosure 2 in No. 34.

Mr. LAMBTON to the SECRETARY, General Post Office, London.

SIR,—
General Post Office, Sydney, 17th May, 1875.
I have the honor to acknowledge the receipt of your letter, dated the 9th March last, in which you state that the French Post Office intends to make use of the route of England, the United States, and Sydney, for the transmission of closed mails between France and New Caledonia.

In reply, I am to inform you that the necessary instructions have been given for carrying out the wishes of the French Post Office, as indicated in your letter.

I have, &c.,
S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, London.

 Enclosure 3 in No. 34.

Mr. PAGE to the POSTMASTER-GENERAL, Sydney.

SIR,—
General Post Office, London, 4th May, 1874.
The Director-General of the French Post Office has expressed his desire to make use of the line of colonial mail packets, recently established between Sydney and San Francisco, for the transmission of closed mails between France and New Caledonia.

In my letter of the 21st January last, I informed you that it was the intention of the French Post Office to forward these mails every fortnight, alternately, *viâ* Point de Galle and Melbourne, and *viâ* Singapore and Brisbane; but, on further consideration, the French Office wishes to adopt the alternative route of San Francisco and Sydney, in substitution for that of Singapore and Brisbane.

It is assumed as a matter of course that your office will have no objection to the transmission of the French mails by the line of packets maintained jointly by the Governments of New South Wales and New Zealand, and the only question is that of the rate to be paid by France for their conveyance between San Francisco and Sydney.

By the terms of the postal convention between this country and France, the payment for sea conveyance by British packet of correspondence in closed mails is fixed, for a distance exceeding 2,000 miles, at, for letters, 1f. 20c. per 30 grammes; for printed papers and patterns, 1f. per kilogramme; and these are the sums which would be payable by France to this office, if the packets between San Francisco and Sydney were maintained by this department.

But, as they are colonial mail packets, it remains for the Post Offices of New South Wales and New Zealand to determine whether they will accept the same rates of payment; and I shall be glad if you will consider this question, and favour me, as early as convenient, with your decision upon it.

Of course, whatever rates may be fixed, they will be accounted for by France to this department, and will be placed to the credit of your office in the accounts prepared periodically by the Receiver and Accountant-General of this department.

I have, &c.,
W. J. PAGE.

The Postmaster-General, Sydney.

No. 35.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 13th May, 1875.

I am directed to forward herewith, for the information of the Postmaster-General of New Zealand, copy of a communication which has been received by this department from the postal authorities at Noumea, respecting the making of improved arrangements for the transmission of mails to and from New Caledonia.

I am also to enclose copy of the reply sent by this office, which, it will be seen, relates in part to the use of the San Francisco Service by the New Caledonia Post Office, and suggests an arrangement in that respect, subject to the concurrence of the Postmaster-General of your colony.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington.

Enclosure 1 in No. 35.

Mons. B. MONLKY to the SECRETARY, General Post Office, Sydney.

SIR,—

Noumea, 10th March, 1875.

Our new Postmaster-General for New Caledonia, very anxious to improve, and above all, to enlarge postal relations between us and the cities of the metropolitan continents, directs me to inform you that, to satisfy the repeated demands of our tradesmen for multiplying the communications, he is disposed to give a mail to every vessel going to Sydney or Newcastle, and specially to the "Wentworth."

But the Postmaster-General here wants to know, before proceeding further, if, with our regular and usual French stamps, you could be able to send our letters in any directions, on the continental way, free of charges, exactly as you do for our regular monthly mail; or if the combination on which we have acted upon for this present mail would suit you better, and be according to your regulations.

Also, would you take charge, in this same way, of registered letters to be delivered over sea?

We hope, Sir, to receive your answer by first opportunity with all necessary explanations, and to be enlightened on this important matter.

Further, will you be kind enough to favour us with a general table of your taxes for every part of the world where you keep postal communication? By so doing, Sir, and waiting for your esteemed reply, you will greatly oblige,

Yours, &c.,

B. MONLKY.

The Secretary, General Post Office, Sydney.

Enclosure 2 in No. 35.

Mr. LAMBTON to the POSTMASTER-GENERAL, New Caledonia.

SIR,—

General Post Office, Sydney, 8th May, 1875.

With reference to the subject of your letter dated the 10th March last, I have the honor to inform you that this department will of course undertake to forward from Sydney, by whatever opportunity they may be marked, closed (sealed) mails for all parts of the world which may be sent here from New Caledonia.

With regard to closed mails which may require to be conveyed between Sydney and San Francisco, or *vice versa*, by the mail service maintained by this colony and New Zealand, a temporary arrangement has already been made between this and the London Post Office, on behalf of the French Post Office, that this department is to be paid at the rate of 1 f. 20 c. on letters, and 1 f. per kilogramme on printed papers, conveyed between New Caledonia and France by this line of packets; and the Postmaster-General of this colony is willing, if you desire it, to convey by this line closed mails between New Caledonia and other places on the same terms, this arrangement being also only a temporary one, and to be subject to the concurrence of the Postmaster-General of New Zealand.

I am to state that this department is advised that the payments in respect of the mails between New Caledonia and France will be accounted for to the London Office by France, and will be credited to this colony by London; but in the case of mails to and from other places than France, which you may desire to send by the steamers running between Sydney and San Francisco, you will perhaps be good enough to account direct to this office. Some forms for entering the particulars of the mails are enclosed.

You will of course understand that loose letters, bearing only French postage stamps, cannot be forwarded to other countries through New South Wales, and any letters of this class intended for delivery within this colony would be surcharged in this office, for collection on delivery, at the rate of 6d. per half-ounce.

I also forward separately a copy of the New South Wales Postal Guide, pages 86 to 93 of which contain the table you inquire for, showing the postage rates from Sydney to every part of the world; and I beg to assure you that I shall be happy to afford you any further information in my power.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Postmaster-General, New Caledonia.

No. 36.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,— General Post Office, Wellington, 4th June, 1875.

I have the honor to acknowledge the receipt of your letter of the 13th ultimo, enclosing copy of correspondence between your department and the Post Office authorities at Noumea, New Caledonia, respecting the use by New Caledonia of the mail service *viâ* San Francisco.

2. In reply, I am directed to inform you that the Acting Postmaster-General of this colony agrees, as a temporary measure, to New Caledonia forwarding closed mails by the temporary San Francisco Mail Service upon the same terms as closed mails from France for New Caledonia are now forwarded.

3. I am to add that so soon as the permanent service is established the matter should be further considered, with the view of a more satisfactory and substantial arrangement being agreed upon.

I have, &c.,

W. GRAY,

Secretary.

The Secretary, General Post Office, Sydney.

No. 37.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,— General Post Office, Sydney, 17th June, 1875.

With reference to previous correspondence respecting the transit of closed mails to and from New Caledonia by the San Francisco route, I am directed to inform you that, pending a decision as to whether a subsidy should be sought from the French Government for the conveyance of such mails, the Postmaster-General would propose that mails for and from New Caledonia be forwarded between Sydney and San Francisco on the same terms as those of the neighbouring colonies, *viz.* :—

| | s. | d. | |
|------------|----|----|---------|
| Letters | 1 | 7 | per oz. |
| Packets | 1 | 6 | per lb. |
| Newspapers | 0 | 6 | „ |

In order to simplify matters, it is thought that the suggestion should be made both to the London and the New Caledonia Offices, that the latter shall account for and pay direct to this office the above charges on the gross weight of all Noumea correspondence conveyed in either direction between Sydney and San Francisco, leaving any charges made in America, England, France, or elsewhere to be a matter of arrangement between the French and the other Post Offices.

It may be mentioned that these terms would be the same as those on which the Victorian Government undertakes to convey New Caledonian mails *viâ* Galle.

I am to state that Mr. Burns will be glad of the opinion of the Postmaster-General of New Zealand upon this subject.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington.

No. 38.

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

The Australasian and American Mail Steamship Company,
Sydney, 31st July, 1874.

SIR,—

I have the honor to inform you that a telegram has been received to-day, notifying that the "Tartar" sailed on the 28th from Frisco for Sydney *viâ* Auckland. I will undertake to have the "Cyphrenes" at Auckland to convey her mails and passengers South, and return with the outward mails and passengers from Auckland direct to Frisco *viâ* Honolulu without touching at Kandavau. The "Tartar" will proceed on to Sydney, and will have to be withdrawn from the service, owing to the mishaps to her hull and machinery. The "Macgregor" will be ordered to come direct from Frisco *viâ* Honolulu to Auckland. I shall be compelled to carry on the temporary service with the "Macgregor," "Mikado," and "Cyphrenes," and temporary boat from here to Auckland, and from Auckland to Port Chalmers, alternately.

I have the honor to request that you will have the goodness to direct that my subsidy be paid in Sydney monthly, to the order of the Government of New South Wales, for the purpose of paying, in connection with this Government the charter money of the ships employed in the temporary service. This will give a security to both Governments for the continuance of these steamers. I am compelled to take this step, as I find my agents in London, for some accountable reason, have failed to cover charter moneys and other necessary expenses there. By making the charter money payable in Sydney, we hold an entire control over the vessels employed, and the agents in London will not be able to detain or alter the voyage of the different steamers. A telegram from London, dated the 25th instant; states that the first of Elder's ships for the new service will leave London in November next. Assuming this to be the case, it will relieve one of the temporary ships in January; and February, March, and April next will, in all probability, end this service.

My advices from London dated the 12th ultimo inform me that the first of Elder's ships would be launched at the end of this month, and the first of Laing's in August next.

I have, &c.,

H. H. HALL.

The Hon. J. Vogel, Premier, Wellington.

No. 39.

Mr. GRAY to Mr. H. H. HALL.

General Post Office, Wellington, 16th September, 1874.

SIR,—

I have been directed to acknowledge the receipt of your letter of the 31st July last, addressed to the Hon. the Premier.

2. With reference thereto, I am desired to state that subsequent events render a detailed reply unnecessary.

I have, &c.,
W. GRAY,
Secretary.

H. H. Hall, Esq., Managing Director, A. and A.S.S. Co., Sydney.

No. 40.

The AGENT-GENERAL to the Hon. J. VOGEL.

(Telegram.)

London, 23rd July, 1874.

To secure forwarding mails now at Francisco, Lawrence, Clark, advance "Tartar's" owners July subsidies. I recommend you advance July subsidies to New Zealand Bank to pay over here. Samuel has appropriated Sydney subsidy. Present contractors cannot carry out contract. Reasonable prospect of shipowners, builders, agents combining to perform service efficiently, if contract for twelve years' subsidy of eighty thousand for ten knots; ninety, eleven; one hundred thousand, twelve.

No. 41.

EXTRACT FROM TELEGRAM FROM AGENT-GENERAL to the Hon. J. VOGEL.

London, 31st July, 1874.

No hope contractors carrying out postal contracts. Forbes gone America, where Cunningham also is. Forbes gazetted out of his firm. Bills given to shipowners dishonored. Loss already incurred, some thirty thousand. "Macgregor" takes mails on my undertaking recommend Government pay subsidy to bank to pay over here. Agents say can carry on temporary service, if secured permanent contract, with modifications applied.

No. 42.

The AGENT-GENERAL to the Hon. J. VOGEL.

London, 6th August, 1874.

CONSIDER contract abandoned by Forbes. Cunningham declines carrying on. Difficult to reach sureties to enforce penalty. Agents having booked passengers may despatch "Macgregor," "Mikado," if payment subsidy to owners guaranteed by Governments. "Tartar's" passengers with through tickets compelled pay passages from Frisco to England. Responsible parties would continue ten-knot service for subsidy of from eighty to one hundred thousand, but difficulty increased if service is once stopped.

No. 43.

The Hon. H. PARKES to the Hon. J. VOGEL.

(Telegram.)

Sydney, 11th August, 1874.

CONTRACTORS of temporary service fail. This Government will arrange to send steamer with mails on 29th. Will you arrange to connect at Kandavau? In this difficulty, have we authority to act for New Zealand in securing continuation of service? Reply early as possible by telegraph. Letter by mail.

No. 44.

The Hon. J. VOGEL to the Hon. HENRY PARKES.

(Telegram.)

Wellington, 17th August, 1874.

WE will send some one up next month, with view of conferring with your Government as to steps to be taken to carry out the contract. My information from London is, that the shipbuilders and others would be willing to take up the contract with some modifications. In the meantime, I see no object in endeavouring to patch up the temporary service. We could not make satisfactory connections with Kandavau, and we would prefer not having anything to do with the temporary service, but will trust meanwhile to the Suez Service. The representative we send up will be fully prepared to co-operate with your Government in considering terms for carrying out a permanent service.

No. 45.

Mr. McCORMICK to the Hon. J. VOGEL.

(Telegram.)

Auckland, 17th August, 1874.

HAVE been advised by Gilchrist, Watt, and Co. of Sydney, agents for owners of steamer, that Mr. Parker, of the Government of New South Wales, has arranged with them that the "Cyphrenes"

should be employed to carry a mail from Auckland to Kandavau, starting from Auckland after arrival from Sydney of steamer carrying mails thence on 29th instant, upon payment to the "Cyphrenes" of the mail money, £2,307 13s. 10d., for which sum "Cyphrenes" will carry incoming mails per "Tartar" from Auckland ports in New Zealand, the outgoing mail from Auckland to Kandavau. "Cyphrenes" advertised to sail to-morrow, 18th, to Sydney. If Government of New Zealand will guarantee payment, and you will send me a message to that effect, I will detain vessel. If you agree, I beg to suggest your requesting Mr. Von der Heyde to telegraph to Henderson and Macfarlane to engage "Cyphrenes" to wait for "Tartar."

No. 46.

The Hon. J. VOGEL to Mr. McCORMICK.

(Telegram.)

Wellington, 18th August, 1874.

YOUR telegram not very intelligible. By Mr. Parker, of the Government of New South Wales, do you mean Hon. Mr. Parkes? Then what is the object of our sending mails to Kandavau? How do you propose they shall be carried from Kandavau onwards? For what do you propose we should pay £2,300? Is it merely for taking "Tartar's" mails South, and the outward mails to Kandavau? Do you propose we should pay the whole sum, or is Sydney to pay one-half? At present your proposition is not intelligible, but I have no doubt it arises from your telegram having been incorrectly rendered. If your proposition is that "Cyphrenes" shall go to Frisco and return from Frisco to Auckland, the money being payable on such return, the Government may be disposed to entertain it, and would send you answer on understanding that such is nature of your proposal. Copy of your telegram as received is appended.

No. 47.

Mr. McCORMICK to the Hon. J. VOGEL.

(Telegram.)

Auckland, 18th August, 1874.

I REGRET you have had trouble about my telegram. There are mistakes caused by the telegraph, but I admit that it is not sufficiently explicit if you had no other information on the subject. When I sent it I assumed you had, either directly or through Mr. Thomas Russell, received some communication from the Hon. Mr. Parkes, of the New South Wales Government, mentioning the proposed arrangements for carrying on the mail service. I now furnish you with copy of correspondence between Mr. Parkes and Mr. Watt, of Gilchrist, Watt, and Co., which I think will of itself explain the matter:—"11th August, 1874. My dear Mr. Watt,—I am writing to the New Zealand Government. If we arrange for a vessel from here on the 29th, could you place the 'Cyphrenes' at New Zealand, so as to perfect the service as provided for by contract if the subsidies are secured?—Yours faithfully, HENRY PARKES." "Sydney, 11th August. My dear Mr. Parkes,—If the Government of New South Wales, or of New Zealand, guarantee the payment to 'Cyphrenes' of mail money, £1,153 16s. 11d., the 'Cyphrenes' will proceed from Auckland down the New Zealand coast to Port Chalmers with the mail; and on being paid or promised by either Government the sum due in respect of the outward mail, £1,153 16s. 11d., the ship will proceed with the mails up the New Zealand coast to Auckland, and thence to Kandavau, where she will meet the boat leaving here on her voyage to San Francisco, and at same time meet the 'Macgregor,' and will take on board the mails and cargo from the 'Macgregor' and come here with them, 'Macgregor' proceeding to New Zealand with the mails. More than this the 'Cyphrenes' cannot do without coming here for an overhaul.—Yours faithfully, J. B. WATT. To the Hon. Henry Parkes." Together with this copy of correspondence I received instructions from Gilchrist, Watt, and Co. to authorize the captain of the "Cyphrenes" to carry out the arrangement if the New Zealand Government would join in guaranteeing the money as stated in Mr. Watt's letter; but my instructions are not full. It appeared to me, if the "Cyphrenes" were allowed to go to Sydney, it would entirely prevent the arrangement being carried out; and as the captain, relying on other instructions to him, proposed going at once to Sydney, I thought it proper to detain him until I communicated with you. In asking your Government to guarantee the mail money, I act only, as I think, on my instructions, but I do not hesitate to say that if anything occurs to render it unnecessary for the "Cyphrenes" to do all Gilchrist, Watt, and Co. offer she shall do, she would then only be entitled to receive payment for services actually rendered, and if the New Zealand Government will guarantee she shall be paid the mail money to be earned, or at all events at the rate paid by the charter-party under which she has hitherto been employed in carrying the mails on this service—namely, £1,500 per calendar month—the owners will be satisfied. I assume, also, that the New Zealand Government and the New South Wales Government will arrange for the payment between them of the money required to carry on the service. My object in communicating with you is consideration for the convenience of the Government of this colony. I believe New South Wales would carry on the mail service from that colony, even if this colony will not join. I hope this will effectually answer your questions, without particularly referring to them. I beg the favour of a reply as early as possible.

No. 48.

The Hon. J. VOGEL to Mr. McCORMICK.

(Telegram.)

Wellington, 18th August, 1874.

AFTER considering your telegram, the Government would prefer not making any arrangement for "Cyphrenes." Our indisposition to arrange does not arise from want of desire to co-operate with New South Wales Government. But regular connection with Kandavau seems so uncertain at present, that we would not feel justified in sending mails that way. Therefore it would be injudicious to enter into arrangements.

No. 49.

Mr. McCORMICK to the Hon. J. VOGEL.

(Telegram.)

Auckland, 18th August, 1874.

RE employment of "Cyphrenes."—I regret I omitted to state that, under the charter-party, the charterers, in addition to paying fifteen hundred pounds per month, have to provide and pay for all the provisions and wages of the captain, officers, engineers, firemen, and crew, and also for all the engine-room and deck stores; also, for all the coals, port charges, pilotages, agencies, commissions, and all other charges whatsoever; and if the Government should have to pay for the service of the vessel otherwise than by paying the mail money, the Government must provide and pay for these charges, in addition to the fifteen hundred pounds.

No. 50.

The Hon. J. VOGEL to the Hon. HENRY PARKES.

(Telegram.)

Wellington, 18th August, 1874.

SINCE sending you telegram yesterday, by way of Melbourne, Mr. McCormick, of Auckland, has communicated to us offer to send "Cyphrenes" to Kandavau. We have reluctantly decided not to accept it, because it seems to us so doubtful what the arrangements may be for transmission from Kandavau that we do not feel justified in sending a mail that way. We are also in difficulty respecting the pecuniary arrangements, since Dr. Featherston, it appears, has undertaken to make payments at Home. Besides that, the contractors have given a lien on all contract money to the Bank; and besides that, they have given you an order, which we have been compelled to refuse to pay. I see nothing for it but personal communication with you, and I hope we shall be able to arrange a permanent service. Meanwhile I trust you will not consider our action unfriendly—it is far from intended to be so.

No. 51.

The Hon. J. VOGEL to the AGENT-GENERAL.

(Telegram.)

Wellington, 18th August, 1874.

CALIFORNIAN Service.—We approve payments you have authorized; but are not at present favourable further arrangement temporary service. We send representatives to Sydney next month to arrange for permanent service, as you suggest. Meanwhile send all mails by Suez and Melbourne.

No. 52.

The Hon. H. PARKES to the Hon. the COLONIAL SECRETARY, New Zealand.

SIR,—

Colonial Secretary's Office, Sydney, 3rd August, 1874.

I have the honor to enclose, for the information of the Government of New Zealand, copies of telegrams which have lately passed between the agents for the Pacific Mail Service and this Government, in reference to the vessels employed under the temporary contract, and also copies of letters from the Postmaster-General to Mr. H. H. Hall on the same subject.

2. You will observe from this correspondence that new difficulties threaten the service; and I shall be glad to be informed of the views of your Government as to the best course to be adopted.

I have, &c.,

The Hon. the Colonial Secretary, New Zealand.

HENRY PARKES.

Enclosure 1 in No. 52.

Mr. LAWRENCE, London, to Mr. H. H. HALL, Sydney.

(Telegram.)

15th July, 1874.

AUSTRALIAN mails left New York to-day. Will arrive at San Francisco 19th. Forbes seriously ill. "Tartar" withdrawn by owners. We will arrange for her return to Sydney, provided subsidy for voyage be secured to owners. Get Samuel to telegraph reply sharp, that we may guarantee this.

Macgregor's two boats will be continued same basis.

Enclosure 2 in No. 52.

POSTMASTER-GENERAL, Sydney, to Messrs. LAWRENCE, CLARK, London.

(Telegram.)

16th July, 1874.

THIS Government guarantees to owners its subsidy for voyage of "Tartar," subject to Forbes's concurrence.

Enclosure 3 in No. 52.

Mr. MERRILL, San Francisco, to POSTMASTER-GENERAL, Sydney.

(Telegram.)

23rd July, 1874.

MAILS detained wanting funds. Shall we charter steamer Government account? Who in London will honor draft?

Enclosure 4 in No. 52.

POSTMASTER-GENERAL, Sydney, to Mr. MERRILL, San Francisco.

(Telegram.)

25th July, 1874.

CONTRACTORS bound to provide steamer under penalty twenty-five thousand pounds. Where is "Tartar"?

Enclosure 5 in No. 52.

Mr. LAWRENCE, London, to POSTMASTER-GENERAL, Sydney.

(Telegram.)

25th July, 1874.

CONTRACTORS unable to carry out contract. Owners, builders, agreed, combining to perform service efficiently, provided contract extend twelve years with hundred thousand; ten knots. Elder's boats, November. Get Oriental Bank telegraph Larkworthy pay eleven hundred pounds "Tartar." Reply.

Enclosure 6 in No. 52.

POSTMASTER-GENERAL, Sydney, to Mr. LAWRENCE, London.

(Telegram.)

27th July, 1874.

CONTRACTORS must at once send on mails from Frisco.

Enclosure 7 in No. 52.

Mr. LAMBTON to Mr. H. H. HALL.

SIR,—

General Post Office, Sydney, 25th July, 1874.

I am directed to state that the Postmaster-General has received a telegram dated the 23rd July from Messrs. Merrill, your agents at San Francisco, in which it is stated that the mails are "detained wanting funds," and they ask, "Shall we charter steamer, Government account. Who London will honor draft?"

Mr. Samuel desires me to request that you will give your immediate attention to this important matter, with a view to the removal of the difficulties which appear to have arisen at San Francisco.

I am also to express Mr. Samuel's regret that the arrangements of the contractors should admit of the existence of obstacles involving so gross a detention of the mails.

I am to request that you will afford a full explanation of the serious breach of your contract which is occasioned by the "Tartar's" detention at San Francisco, and to point out that, under the bond, the contractors and their sureties are liable to the forfeiture of the sum of £25,000.

H. H. Hall, Esq., Sydney.

I have, &c.,

S. H. LAMBTON, Secretary.

Enclosure 8 in No. 52.

Mr. LAMBTON to Mr. H. H. HALL.

SIR,—

General Post Office, Sydney, 27th July, 1874.

I am directed to inform you that it has been reported to the Postmaster-General that the R.M.S. "Macgregor," on her last trip from Sydney to San Francisco, left this port very much overloaded, whereby not only was the safety of the vessel and mails endangered, but the voyage would probably be prolonged.

Mr. Samuel has also heard that the "Tartar," the steamer which left here on the 6th ultimo, was insufficiently manned at the time of her departure.

I am to state that the conveyance of the mails with regularity, and within the period provided by the contract, appears to be entirely ignored in the desire to obtain a large passenger and goods traffic.

I am further instructed to say that Mr. Samuel will insist upon a strict fulfilment of all the conditions of the contract; and that in future no vessel conveying the mails is to proceed to sea until the Postmaster-General has received a report whether she is sufficiently manned, and in every way seaworthy and fitted for the service. Captain Hixson, the President of the Marine Board, will also be directed to make such inquiries as may be deemed necessary to enable a correct opinion to be formed on these points.

H. H. Hall, Esq.

I have, &c.,

S. H. LAMBTON, Secretary.

No. 53.

The Hon. H. PARKES to the Hon. the COLONIAL SECRETARY, New Zealand.

SIR,—

Colonial Secretary's Office, Sydney, 11th August, 1874.

Referring to my letter of the 3rd instant, on the subject of the probable failure of the contractors to continue the temporary mail service *via* San Francisco, I have now the honor to inform you that there is little prospect of a ship being provided by them to carry the mails from Sydney on the 29th instant. In this unexpected state of things the Government of this colony proposes to make arrangements with the Australasian Steam Navigation Company to take up the contract, subject to

4—F. 3.

your concurrence. If your Government is in a position to forward the New Zealand mails to Kandavau—and I write under the belief that the “Cyphrenes” can be employed for that purpose—no break need occur on this side; and if prompt steps are adopted by both Governments in co-operation, it is hoped that no serious difficulties will occur at San Francisco.

2. It will facilitate the completion of new arrangements if you can authorize this Government to act for New Zealand in adopting means to continue the temporary service within the terms of the existing contract.

3. You will oblige by informing me by telegram of your wishes on receipt of this letter.

The Hon. the Colonial Secretary, New Zealand.

I have, &c.,
HENRY PARKES.

P.S.—It is intended to despatch the mails as usual from Sydney on the 29th, under any circumstances. If by any untoward circumstance the New Zealand mails cannot be forwarded to Kandavau, and a telegram reaches Sydney in time, we will send boat of the 29th to meet them at Auckland; but we earnestly hope this necessity will be avoided.

No. 54.

The Hon. H. PARKES to the Hon. the COLONIAL SECRETARY, New Zealand.

SIR,—

Colonial Secretary's Office, Sydney, 11th August, 1874.

I have the honor to enclose copy of a letter I have just received from Mr. J. B. Watt, of the firm of Gilchrist, Watt, and Co., of this city, who are the authorized agents for the owners of the s.s. “Cyphrenes.” If the Australasian Steam Navigation Company take over the temporary contract, it is assumed that they will charter the “Cyphrenes.”

The Hon. the Colonial Secretary, New Zealand.

I have, &c.,
HENRY PARKES.

Enclosure in No. 54.

Mr. J. B. WATT to the Hon. H. PARKES.

MY DEAR MR. PARKES,—

Sydney, 11th August, 1874.

If the Government of New South Wales or of New Zealand guarantee the payment to “Cyphrenes” of mail money, £1,150 16s. 11d., the “Cyphrenes” will proceed from Auckland down the New Zealand coast to Port Chalmers with the mails; and on being paid, as promised, by either Government, the sum due in respect of the outward mail, £1,150 16s. 11d., the ship will proceed with the mails up the New Zealand coast to Auckland, and thence to Kandavau, where she will meet the boat leaving here on her voyage to San Francisco, and at same time meet the “Macgregor,” and will take on board the mails and cargo from “Macgregor,” and come here with them; “Macgregor” proceeding to New Zealand with the mails.

More than this the “Cyphrenes” cannot do without coming here for an overhaul.

Hon. H. Parkes, Sydney.

I have, &c.,
JOHN B. WATT.

P.S.—This would insure payment to “Cyphrenes” of the two payments due in respect of the outward and inward mails conveyed by her; and under the charter she is entitled to be paid these amounts by the Government.

No. 55.

The Hon. J. VOGEL to Dr. FEATHERSTON.

(Telegram.)

Wellington, 31st August, 1874.

FRISCO Service.—Russell goes to Sydney middle September; authorized by Government. Put yourself in communication with him. Let him know possibilities of new service.

No. 56.

The Hon. SAUL SAMUEL to the Hon. J. VOGEL.

(Telegram.)

Sydney, 27th August, 1874.

OWNERS telegraph through their agents, Gilchrist, Watt, and Co., that they have directed “Macgregor” to proceed from San Francisco to Kandavau, Auckland, and Sydney, relying upon this and New Zealand Government paying subsidy for the trip. This Government will pay its portion. “Macgregor” left Frisco 17th instant.

No. 57.

The Hon. J. VOGEL to Mr. RUSSELL.

(Telegram.)

Wellington, 4th September, 1874.

HAVE received the appended telegram from Samuel. What answer do you advise?

No. 58.

Mr. RUSSELL to POSTMASTER-GENERAL.

(Telegram.) Auckland, 5th September, 1874.
 "MACGREGOR'S" downward trip—I advise New Zealand to pay its share subsidy.

No. 59.

The Hon. J. VOGEL to Mr. RUSSELL.

(Telegram.) Wellington, 5th September, 1874.
 I AUTHORIZE you to agree to pay half the subsidy of the "Macgregor."

No. 60.

The AGENT-GENERAL to the Hon. J. VOGEL.

Westminster Chambers, Victoria Street, Westminster, S.W.,
 3rd September, 1874.

SIR,—

In compliance with the instructions contained in your telegram received on the 27th ultimo, No. 51 of this relative to the San Francisco mail service, I have the honor to inform you that I addressed a letter on series. the subject to the Right Hon. Lord John Manners, on the 31st ultimo, and received a communication from Mr. Tilley, the secretary, on the 2nd instant, to which I replied on the same day. I now enclose, for your information, copies of this correspondence.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

Enclosure 1 in No. 60.

The AGENT-GENERAL to the Right Hon. the POSTMASTER-GENERAL, London.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
 31st August, 1874.

MY LORD,—

I have the honor to acknowledge the receipt of Mr. Tilley's letter of this day's date, on the subject of the despatch of New Zealand mails by way of Suez, and, in reply, beg to state that my instructions are to request your Lordship to forward, until further notice, all mails for New Zealand by way of Suez and Melbourne. I take it, therefore, to be the intention of the Postmaster-General of New Zealand not to use either the San Francisco or Brisbane route for the correspondence of the colony.

I have, &c.,

I. E. FEATHERSTON.

The Right Hon. Lord John Manners, Postmaster-General, &c.

Enclosure 2 in No. 60.

Mr. TILLEY to the AGENT-GENERAL.

General Post Office, 2nd September, 1874.

SIR,—

I am directed by the Postmaster-General to acknowledge the receipt of your letter of the 31st ultimo, in which you request, on behalf of the Government of New Zealand, that, until further notice, all mails for that colony may be forwarded by way of Suez, and that this alteration may be notified to the public.

Lord John Manners will readily meet your wishes in the matter; but before issuing the necessary instructions, he desires me to inquire whether it is to be understood that correspondence for New Zealand is, for the present, to be sent solely by the Galle and Melbourne route, even if otherwise addressed; or whether, while regarding the Galle and Melbourne route as the rule, correspondence may continue to be sent *viâ* San Francisco, or *viâ* Brisbane, if bearing a special address to that effect.

I have, &c.,

JOHN TILLEY.

Dr. Featherston, Agent-General for New Zealand.

No. 61.

Mr. REA to the POSTMASTER-GENERAL, Wellington.

General Post Office, London, 4th September, 1874.

SIR,—

I beg leave to inform you that, at the request of the Agent-General for New Zealand in London, instructions have been given to forward all mails for that colony, until further notice, *viâ* Galle and Melbourne, discontinuing for the present the use of the San Francisco and Torres Straits routes, even for correspondence which may be specially addressed to be so sent.

I have, &c.,

EDWARD H. REA,
pro Secretary.

The Postmaster-General, Wellington.

No. 62.

Mr. GRAY to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 29th October, 1874.

I have been directed to acknowledge the receipt of your communication of the 4th ultimo, stating that, at the request of the Agent-General for New Zealand in London, instructions have been given to forward all mails for this colony, until further notice, *viâ* Galle and Melbourne, disregarding for the present the use of the San Francisco and Torres Straits routes.

I have, &c.,
W. GRAY,
Secretary.

The Secretary, General Post Office, London.

No. 63.

Messrs. FORBES and HALL to the Hon. J. VOGEL.

SIR,—

Langham Hotel, London, 12th June, 1874.

We regret to have to bring under your notice the position of the arrangement entered into with you and the Postmaster-General for New South Wales with reference to the temporary and permanent mail service from your colonies to San Francisco, but the great expense which the temporary service is entailing upon the contractors, and the difficulty which is experienced in organizing the permanent service, compel us to do so. When the arrangements were entered into it was hoped that the temporary service could have been immediately organized; but having regard to the great distance to which ships had to be sent, and the difficulty in obtaining suitable ships, not only has it been necessary to incur a very large expense, but it has been found almost practically impossible to arrange matters satisfactorily. We regret to say, therefore, that the temporary service can only be carried out at a very serious loss to the contractors, unless the Postmasters-General will be good enough to modify the arrangements so far as to allow the payment of the full subsidy for the best service practicable under the circumstances.

In entering into the contract for the temporary arrangement we did so in consequence of the anxiety expressed on the part of the Postmasters-General to have the service commenced immediately, and could we have foreseen the position in which we should have found ourselves placed we should have had no alternative but to have declined to have carried out the temporary service, except at the risk of the Postmasters-General. We trust, therefore, that as regards the temporary service your Government will be good enough to modify the terms of the contract in the way we have suggested, as we cannot believe that they would desire that we should incur any loss in the establishment of the new service. On the other hand, we have not looked upon that as a source of profit, and if the Governments, in lieu of modifying the temporary contract as we suggest, would prefer to recoup any loss which may be sustained in carrying it out, we shall be quite content.

As regards the permanent service, we have ordered, as you know, four of the very best ships which can be built for the service, and have negotiated with some leading gentlemen with a view to the formation of a company to raise the necessary capital to carry on the service. We find, however, that when the experience of other companies as regards the costs of such a service is brought to bear upon the future of the undertaking, it shows such a large amount of necessary expenditure to keep up the service as desired, that capitalists do not like to enter upon the risk of the undertaking for so short a term and at so low an amount as the term and subsidy agreed upon, as we are unable to show them from any experience of the temporary service such a prospect of future earnings outside the subsidy as to induce them to take part in carrying out the contract.

We feel it to be essential to the welfare of both colonies that the service should be a successful one, for if anything should arise to prevent our contract being carried out, we think many years would elapse before anyone else would be induced to enter upon such an undertaking. We have incurred the responsibility of ordering the ships, which are now being built at a cost approaching £400,000; but unless the undertaking has such prospects of success as to induce the public to subscribe the necessary funds for carrying it out, we do not see at present how the permanent service can be entered upon. We are most anxious to see the contract carried out, and are very unwilling to make any application to you for any variation of its terms. We have, however, no alternative but to ask the favour of your Government reconsidering our position, and making such concessions as will, we believe, enable the permanent service to be carried out efficiently. With this view, we therefore solicit the favour of the Governments consenting to a modification of the permanent service by giving to the contractors the option of extending the permanent service to any period beyond the six years up to twelve years, on giving twelve months' previous notice prior to the expiration of the six years, and increasing the subsidy for a ten-knot service to £80,000, an eleven-knot service to £90,000, and a twelve-knot service to £100,000 per year, and so in proportion for any intermediate service.

We are very anxious that the service shall be carried out at a twelve-knot rate of speed, but the experience of the temporary service shows us that this may not be at all times possible. We have, therefore, also to ask the favour of the contract being further modified, so as to make the essence of the contract be an eleven-knot service instead of a twelve-knot service. The extra subsidy which would be payable for the twelve-knot service would be an ample inducement to the contractors to carry the mails at that rate whenever practicable.

We regret the necessity of asking these modifications, but we hope the Governments will see that we are only actuated by a wish to see the arrangements established on a sound and permanent footing, and that they will, therefore, accord to us the necessary modification to secure this object, believing as we do that it would be subversive of the real interests of the colonies to permit the new services to fall through from the want of adequate support.

I have, &c.,
(for self and H. H. Hall, p.p. J. WORTON V. FISHER.)
P. S. FORBES.

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

No. 64.

The Hon. J. VOGEL to Mr. P. S. FORBES, London.

SIR,—

General Post Office, Wellington, 11th September, 1874.

I have the honor to acknowledge the receipt of a letter dated London, 12th June, 1874, signed on behalf of yourself and co-contractor, Mr. H. H. Hall, on the subject of the San Francisco mail service.

P. S. Forbes, Esq., No. 8, Bishopsgate Street Within, London.

I have, &c.,
JULIUS VOGEL.

No. 65.

The Hon. J. VOGEL to the Hon. W. H. REYNOLDS.

(Telegram.)

Auckland, 15th September, 1874.

On "Macgregor" arriving this morning, the captain refused to deliver the mails. He did not come on shore to endeavour to arrange with Post Office, but simply said he would not deliver the mails until he was paid a subsidy for bringing them. I immediately instructed Whitaker to take proceedings, and on his advice the Crown Prosecutor took out a summons. The case came on at noon, but was adjourned on request of the captain. He and his lawyer then came to me, and produced a letter from Gilchrist, Watt, and Co., giving the captain instructions not to hand over the mails without receiving payment. I told Mr. McCormick, the captain's lawyer, that we would not recognize Gilchrist, Watt, and Co.'s right to override the law, and that he must give up the mails unconditionally, and make an apology for the action of the captain; otherwise the proceedings in the Police Court would go on. This they have agreed to do. The mails are now being delivered from the ship, and Mr. McCormick has promised to make an apology in Court. No doubt we shall make payment to the owners of the ship for the carriage of the mails, but it would not have done, under any circumstances, to have paid the money to the captain, with the risk of so many claimants springing up on behalf of charterers and contractors. Besides this, the Government could not consent to submit to coercion, and the payment now will be purely voluntary.

No. 66.

Mr. TOLHURST to the Hon. the POSTMASTER-GENERAL.

SIR,—

Bank of New Zealand, Wellington, 23rd September, 1874.

On behalf of Messrs. Hall and Forbes, I have the honor to apply for payment of the subsidies due in respect of the services performed by the "Tartar" and "Macgregor."

The Postmaster-General, Wellington.

I have, &c.,
G. E. TOLHURST,
Manager.

No. 67.

Mr. TOLHURST to Mr. GRAY.

SIR,—

Bank of New Zealand, Wellington, 26th September, 1874.

The services I refer to are the last performed by the "Tartar" and "Macgregor," commencing on the 2nd day of June and 3rd day of July respectively.

W. Gray, Esq.

I have, &c.,
G. E. TOLHURST,
(for the Contractors).

No. 68.

Mr. GRAY to MANAGER, Bank of New Zealand, Wellington.

SIR,—

General Post Office, Wellington, 26th September, 1874.

I have the honor to acknowledge the receipt of your letter of the 23rd instant, applying, on behalf of Messrs. Hall and Forbes, for payment of the subsidies due in respect of the services performed by the "Tartar" and "Macgregor."

2. I am directed to inform you, in reply, that, from circumstances which have come to the knowledge of the Government, the department has been advised that no payments should be made the contractors in respect of the services specified by you.

The Manager, Bank of New Zealand, Wellington.

I have, &c.,
W. GRAY,
Secretary.

No. 69.

Mr. TOLHURST to the SECRETARY, General Post Office.

SIR,—

Bank of New Zealand, Wellington, 30th September, 1874.

I have the honor to acknowledge receipt of your letter of the 26th September, informing me that the department had been advised that no payments should be made to the contractors in respect of services performed by the "Tartar" and "Macgregor."

I beg to thank you for the information.
The Secretary, General Post Office.I have, &c.,
G. E. TOLHURST.

No. 70.

Mr. TOLHURST to the SECRETARY to the TREASURY, Wellington.

SIR,—

Bank of New Zealand, Wellington, 23rd December, 1874.

At the request of Messrs. Lawrence, Clark, and Co., of London, I have the honor to make application, on their behalf, for payment of the following subsidies, which they state to be due to their firm, in respect of certain advances specially made against them, viz. :—

| | | |
|---------------------------------|----------------------|--|
| Mail of 8th June, from Auckland | | |
| „ 30th „ „ | London (“Tartar”) | |
| „ 6th July „ | Auckland | |
| „ 28th „ „ | London (“Macgregor”) | |

I enclose, for your information, copy of letters from Messrs. Lawrence, Clark, and Co. to our London office, dated 30th October; letters from Messrs. Lawrence, Clark, and Co. to Sir Charles Cooper, dated 29th October; C. A. Fearon to Agents-General for New South Wales and New Zealand, 6th October; C. A. Fearon to Scott, Henderson, and Co., dated 30th October, which please return.

I have, &c.,

G. E. TOLHURST,

Manager.

The Secretary to the Treasury, Wellington.

No. 71.

Mr. GRAY to MANAGER, Bank of New Zealand, Wellington.

SIR,—

General Post Office, Wellington, 28th December, 1874.

In returning you the enclosed documents which accompanied your letter of the 23rd instant, addressed to the Secretary to the Treasury, I have the honor to inform you that you will be communicated with on the subject of Messrs. Lawrence, Clark, and Co.'s claim in the course of a few days.

I have, &c.,

W. GRAY.

The Manager, Bank of New Zealand, Wellington.

No. 72.

Mr. GRAY to MANAGER, Bank of New Zealand, Wellington.

SIR,—

General Post Office, Wellington, 18th January, 1875.

With further reference to your communication of the 23rd ultimo, I have now the honor to inform you that the Government are advised that the information they are in possession of is insufficient to justify their meeting the claims preferred by you on account of Messrs. Lawrence, Clark, and Co., of London.

2. I am to add that a copy of the correspondence has been forwarded to the Hon. Mr. Vogel for his information.

I have, &c.,

W. GRAY.

The Manager, Bank of New Zealand, Wellington.

No. 73.

The AGENT-GENERAL to the Hon. J. VOGEL.

7, Westminster Chambers, Victoria Street, Westminster, S. W.,

7th August, 1874.

SIR,—

My telegrams of the 23rd and 31st of July, and of the 6th instant, will have already informed you of the critical position in which the mail service *via* San Francisco is at present placed. I have now the honor to forward, for your information, several letters which have reached me on the subject, by reading which you will be better able to understand all the circumstances of the case.

2. The first letter to which I would direct your attention is one of the 31st of July from Messrs. J. Mackrell and Co., with whom I immediately consulted on becoming aware that the contractors were likely to fail in carrying out their engagements. You will observe that the general result of Messrs. Mackrell's inquiries is unfavourable to the hope of recovering penalties from the sureties.

3. I have next to direct your attention to a letter addressed to Messrs. Mackrell on the 24th of July by Mr. Cunningham, of Boston, in the United States, and which was before me when I telegraphed to you yesterday that I regarded the contract as abandoned by Mr. Forbes.

4. The three letters which follow are from Messrs. Lawrence, Clark, and Co., of the City, agents for the contractors—that of the 5th instant being addressed officially to Sir Charles Cowper and myself; one of the 3rd to Sir Charles Cowper; and one of the 1st to Captain Jopp, his secretary. I have, as you will be already aware from my telegrams above referred to, declined to do more than recommend the payment of the Government subsidy to the Bank of New Zealand, which I understand holds Mr. Forbes's power of attorney to receive all subsidies earned by him, in order that such subsidy may be transmitted to the owners of the vessels, who, I am told, have obtained the concurrence of Mr. Forbes to such payment.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

P.S.—As the mail is closing, I receive a further letter, of which I think it well to send you a copy. It is addressed to Mr. Mackrell by Mr. Marshall, of the Royal Mail Steam Packet Company.

Enclosure 1 in No. 73.

JOHN MACKRELL and Co. to the AGENT-GENERAL.

21, Cannon Street, London, E.C., 31st July, 1874.

DEAR SIR,—

Postal Contracts.

We regret to have to report to you, as we feel it our duty to do, that it seems to us from the information we have obtained there is no hope whatever of the contractors carrying out the contracts.

There appears to be no doubt that when the contracts were entered into there was the fullest intention of carrying them out, and that Mr. Forbes's position fully justified reliance on his fulfilling his engagements. Such a reliance was warranted by the fact that Messrs. Baring gave him a credit of £25,000 for the purpose (all of which has been spent), and that Messrs. Lang and Messrs. Elder were satisfied to enter into engagements with him to build ships for the service, the cost of which was to be nearly £400,000. The Postmasters-General had therefore every right to expect that the contracts would be carried out. It appears now that Mr. Forbes entered into these without having made any calculations of the future of the undertaking, and in reliance that the public would readily subscribe to carry out an undertaking which appeared to him (from, we suppose, Mr. Hall's representations) so full of promise. Mr. Hall was, however, allowed to leave England without any statement being prepared which could be verified as to probable receipts and payments, on which to invite Mr. Forbes's friends or the public to co-operate. A company was, however, registered with only nominal shareholders, but no one connected with the enterprise appeared to take the matter earnestly in hand, and it seemed to be drifting into difficulties.

Afterwards, however, it was seriously taken up, and gentlemen of good position and having suitable experience were invited to join the enterprise, and were disposed to do so, but they declined to have anything to do with the registered company, or to adopt the engagements they proposed to enter into; and before embarking in the enterprise they required to be satisfied what the probable receipts and expenditure would be. It was then found that the statement prepared and proposed to be issued by the registered company was a mere guess, and wrong altogether; but through the kind assistance given by the manager of the Royal Mail Steam Packet Company (who were desirous to see the service established although they declined to take up the contract), a statement was prepared which, as regarded expenditure, could be relied on, and, as regards receipts, seemed to be a moderate estimate.

Relying upon this statement, and subject to certain modifications in the terms of the contract which it was intended to apply for, it was proposed to form a new company to take up and work the permanent contract only, and there appeared a fair prospect of an influential Board being formed; it being, nevertheless, doubtful whether, in the present position of certain steam packet companies and the large reductions in the dividends of those well established, the public would be likely to subscribe freely. It was, however, then found impossible to proceed in the formation of a new company, as Mr. Forbes had gone away to Paris, and seemed entirely to abandon the matter, for although he purported to authorize friends to act for him they declined to do so, alleging that they were not so authorized. Bills which had been given in payment of instalments on the ships were returned dishonoured, and the shipbuilders declined to go on with the ships. The necessary funds to carry on the temporary service (which, if discontinued, might imperil the permanent service) were not forthcoming, the credit at Messrs. Baring's having been exhausted; and arrangements entered into with the company already registered, and between the parties interested, had rendered any new engagement with another company difficult, if not impossible, at least until these could be got rid of. Under these circumstances those who were otherwise willing to take up the permanent service declined to do so.

Mr. Forbes has now gone to New York, and has been gazetted out of his firm of Russell and Co. of Shanghai; * Mr. De Bussche, one of his sureties who was living in England, has gone to Boston, in America; and the other surety, Mr. Cunningham, is at Boston.

Two, therefore, of the parties responsible to the Governments seem quite to have abandoned the undertaking, and left the Governments to their remedy under the bond; and Mr. Hall alone appears to be interesting himself in the matter.

We have written to Mr. Forbes and the sureties, reminding them of their obligations, and requiring the contract to be observed and fulfilled.

We cannot yet say whether there is a prospect of a combination being formed amongst the owners of the ships employed in the temporary service, Messrs. Lang, and Messrs. Elder, the shipbuilders, and the agents, to make proposals to carry on the service; but we have had interviews with the parties, and done our best to bring about an arrangement, feeling sure that the Government would approve our doing so.

We trust, however, that some arrangements may be come to for carrying on the service; believing, as we do, that it will not only conduce to the welfare of the colonies, but be a successful commercial enterprise if properly conducted.

We are, &c.,

JOHN MACKRELL AND Co.

I. E. Featherston, Esq., Agent-General for New Zealand.

Enclosure 2 in No. 73.

Mr. EDWARD CUNNINGHAM to Mr. JOHN MACKRELL.

DEAR SIR,—

Boston, United States America, 24th July, 1874.

I have your short note of July 10, addressed to me in London. I have known very little of the Australian Steam Company since I left London nearly three months ago, Mr. Forbes having had

* Incorrect.—Mr. De Bussche is in England, and usually resides at Ryde.—I. E. F.

another adviser and scarcely ever writing. He is here now, and I learn what he has done. With regard to my making any arrangements to carry on the business, it is wholly out of the question. It is quite out of my sphere of action.

From what Mr. Forbes says, it seems apparent that no one could do much, beyond casting money into an abyss. Mr. Forbes has now spent to my knowledge about £50,000, and is as far from any relief as ever.

He is at the end of his resources and broken in spirit. The enterprise has been very unfortunate, but the conditions were too hard, as I pointed out to Mr. Forbes when I first heard of them.

John Mackrell, Esq., 21, Cannon Street, London.

Yours, &c.,

EDWARD CUNNINGHAM.

Enclosure 3 in No. 73.

Messrs. LAWRENCE, CLARK, and Co. to the AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND.

GENTLEMEN,—

5th August, 1874.

We feel it incumbent upon us to address you officially, as representatives of your respective Governments, in regard to the unfortunate position of the San Francisco Mail Service.

If we may judge by the telegrams we receive from Sydney, neither the Government nor Mr. Hall seem to realise or believe that Mr. P. S. Forbes has actually abandoned the service to its fates, and deliberately placed himself beyond the reach of his creditors, leaving ourselves and others heavily in advance for account of the service. Such, however, is the fact, and the temporary service must collapse disgracefully, unless the owners of the chartered steamers can be paid through us in London the amounts of subsidies already earned by them since 1st July, and guaranteed the absolute payment in the same manner of all subsequent subsidies earned by them immediately on receipt of telegraphic information of the arrival of each vessel at her destination.

Provided this be done, we have arranged that the "Macgregor," which sailed on 4th July from Sydney, and "Mikado," which sailed thence on the 1st instant, shall be punctually despatched from San Francisco on the arrival of the English mails, according to the time-table.

The Governments will thus be enabled to keep faith with the public here, time will be afforded for decision in the colonies as to the continuance of the service, and, if it is to be abandoned, ample notice can be given.

The conditions made by the owners of these vessels are so manifestly just and fair, that we feel confident your Governments will at once authorize you to accept them, on your apprising them by telegraph of the facts.

We ourselves telegraphed on Monday, the 3rd instant, to the Postmaster-General as follows, viz. :—"Unless Governments guarantee us all subsidies, owners withdraw steamers Fr'isco, and service stops. Telegraph Cowper immediately."

We trust the request thus made will be unhesitatingly acted upon by all concerned. If not, the owners will assuredly take possession of their steamers on arrival at San Francisco, which, by the charter-parties, they have the power to do the moment there is any default in the payment of the hire.

For the permanent service, it is proposed that Messrs. John Elder and Co. supply the two boats they are building for the service, and which are nearly completed; that Mr. D. R. Macgregor, M.P., a large steamship owner, supplies the "Mikado;" that the North German Lloyd Company supply a fast new steamship, built specially for mail service in a tropical climate, and thus particularly adapted for the Australasian and American route; and that £125,000 of share capital shall be *bonâ fide* subscribed, out of which the value of one boat shall be paid to Messrs. John Elder and Co., they subscribing the cost of the other. This arrangement is conditional upon the Governments granting the contracts for which we have already asked, viz. :—

1. An extension to 10 or 12 years.
2. A ten-knot speed to be the essence of the contract.
3. The subsidy to be increased to £100,000.

The proposed combination would be thoroughly reliable, and worthy of the confidence of your Governments and of the public.

Awaiting the favour of an early and decisive answer,

We have, &c.,

Sir Charles Cowper, G.C.M.G., and I. E. Featherston, Esq.,
Agents-General for New South Wales and New Zealand.

LAWRENCE, CLARK, AND Co.

Enclosure 4 in No. 73.

Messrs. LAWRENCE, CLARK, and Co. to Captain JOPP, R.E.

Windsor Chambers, Great St. Helen's, London, E.C.,

1st August, 1874.

SIR,—

Replying to your favour of this date, we beg to point out that though the arrangement exists it has not been acted on. The Bank are authorized to receive and pay all subsidies; but they have no assignment of the subsidies; they cannot enforce the payment of the subsidies to their agent at Sydney; and as a matter of fact, the New South Wales Government have been paying all the subsidies to Mr. Hall personally, instead of letting them come through the Bank here. We have accepted bills against the line on the assurance that the subsidies would be paid through the Bank, and we have been left to provide for these bills ourselves, while Mr. Hall receives and spends the subsidies in Sydney. This is what we want to stop, and what we asked the Agent-General to assist us in.

We trust we have made the matter clear to you, and that the Agent-General will lose no time in doing what he can to have it put straight.

We have, &c.,

Captain Jopp, R.E., 3, Westminster Chambers.

LAWRENCE, CLARK, AND Co.

Enclosure 5 in No. 73.

Messrs. LAWRENCE, CLARK, and Co. to the AGENT-GENERAL for NEW SOUTH WALES.

Windsor Chambers, Great St. Helen's, London, E.C.,

3rd August, 1874.

SIR,—

Confirming our respects of Saturday afternoon to Captain Jopp, we now beg to inform you that we have to-day sent the following telegram to the Postmaster-General, Sydney, viz. :—

“ Unless Governments guarantee us all subsidies, owners withdraw steamers Frisco, and service stops. Telegraph Cowper immediately.”

We shall be obliged if you telegraph to your Government in confirmation of this. We have done everything in our power in order to uphold the service. We are willing still to do so if we can be secured, but we will not keep the steamers on at our own risk. Mr. Forbes, as you heard from his son, has absconded without making provision to carry out his contract or pay his debts, and the time has now arrived for the Government to take some decided step for the maintenance or discontinuance of the service.

Agent-General for New South Wales.

We have, &c.,

LAWRENCE, CLARK, AND CO.

Enclosure 6 in No. 73.

Mr. MARSHALL to Mr. MACKRELL.

Royal Mail Steam Packet Company, 55, Moorgate Street, London,

1st August, 1874.

MY DEAR SIR,—

I am sorry to hear that you have doubts of being able to carry out the New Zealand scheme.

There is not the slightest chance of this Company taking it up in any case ; but I should think, if the terms of the contract were modified as you hint at, others might be induced to go into it, but the present is not the best time, I fear, for carrying out such enterprise.

If you think I can assist you further, I shall be happy to do so.

James Mackrell, Esq.

I have, &c.,

ROBT. MARSHALL.

No. 74.

The AGENT-GENERAL to the Hon. J. VOGEL.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

30th October, 1874.

SIR,—

After the despatch of my letter of the 7th August, with reference to the San Francisco mail service, a certain period of time elapsed in which it seemed very doubtful whether any satisfactory arrangements could be made for the continuation of the temporary service ; and when your telegram, which I received, and of which I acknowledged the receipt on the 27th of that month, reached my hands, directing me, pending the conference proposed to be held in Sydney in September, to send all mails by way of Suez and Melbourne, I felt that, until your further decision reached me, I should best observe the indication which that telegram conveyed of your policy by abstaining from any action on this side. I accordingly requested the Postmaster-General, as you have been already informed, to notify to the public that the New Zealand mails would not for the present be sent by the San Francisco route.

2. On the 9th of September I received your telegram informing me that Mr. Russell was about to proceed to Sydney under authority from the Government, and directing me to place myself in communication with him as to the possibilities of a new service. Information which I had received led me to believe that the Pacific Steam Navigation Company was not indisposed to undertake the service, and on the day after I received your telegram I proceeded to Liverpool to communicate with some leading members of its direction. I also informed the Agent-General for New South Wales of the purport of your telegram, and of my willingness to co-operate with him in procuring information, and, if possible, tenders for the proposed conference.

3. I found on the part of the Pacific Company at first a great willingness to enter upon the service. Indeed the inducements to their doing so are not inconsiderable, if I am, as I believe I am, correctly informed that eleven of their large steamers are now laid up, there being no profitable employment for them, at a yearly loss of, including interest, £120,000. But as negotiations proceeded, an increasing difficulty in obtaining any definite proposal upon their part made itself manifest ; and this I have reason to suppose is due to an adverse influence applied by interested parties, who are said to have considerable weight in their councils. During the week following my visit to Liverpool, I had expected that Mr. Just, of that company, would have called upon me to communicate their views at large, but finding that he did not, I telegraphed on the 23rd of September, in the terms of which I enclose a copy. I received, on the 25th and the 30th, the letters in reply, of which I also enclose copies, by which the Pacific Company absolutely decline to offer any tender.

4. Communications opened with the North German Lloyds' Company had meantime led to a more definite result, and on the 29th of September I received, through the hands of Mr. Leslie C. Hawks, who was authorized to represent the company, the tender of which I have already telegraphed the substance to Sydney, and of which I now enclose a copy.

5. This tender of the North German Lloyds' is, so far, the only actual tender which I or the Agent-General for New South Wales have received from any company or person ; but several inquiries have been made by persons who intimated their willingness to undertake the service, and to tender for

it, provided it was clearly understood that the tenders would be directly dealt with within a definite term. I have reason to believe that at least three or four tenders were in course of preparation, and would have been offered, had the Conference at Sydney determined, as was suggested in the joint telegram of myself and Sir Charles Cowper, to receive and deal with them by a date to be clearly determined by public advertisement. And I have no hesitation in saying that there will be no difficulty in establishing a solvent and reliable service,—it may be at slightly enhanced rate of subsidy, and a little lower rate of speed,—when tenders are so invited by the combined Governments.

6. I enclose copies of telegrams, above referred to, despatched by Sir Charles Cowper and myself during the conference at Sydney.

The Hon. Julius Vogel, C.M.G., Wellington.

I have, &c.,
I. E. FEATHERSTON,
Agent-General.

Enclosure 1 in No. 74.

The AGENT-GENERAL to the SECRETARY, Pacific Company, Liverpool.

(Telegram.)

London, 23rd September, 1874.

JUST has not called. Important that Agents-General should telegraph their Governments not later than Friday. We are quite ready to meet the Board that day if desired. Wire immediately.

Enclosure 2 in No. 74.

Mr. JUST to the AGENT-GENERAL.

Pacific Steam Navigation Company,
Liverpool, 24th September, 1874.

DEAR SIR,—

Your telegram as on the other side came duly to hand last evening, and I have now to inform you that the subject thereof was brought before the committee this day, and that the whole matter has been referred to the full Board of Directors on Monday next, when I hope to be in a position to furnish you with something definite.

I. E. Featherston, Esq.

I have, &c.,
WILLIAM JUST.

Enclosure 3 in No 74.

Mr. JUST to the AGENT-GENERAL.

Pacific Steam Navigation Company,
Liverpool, 29th September, 1874.

DEAR SIR,—

The subject of the Company's taking up the San Francisco, New Zealand, and Australian contract has been before the Board, and the Directors report that for the present they cannot entertain it.

I. E. Featherston, Esq.

I have, &c.,
WILLIAM JUST.

Enclosure 4 in No. 74.

Sir C. COWPER and Dr. FEATHERSTON to COLONIAL SECRETARY and NEW ZEALAND REPRESENTATIVE, Sydney.

(Telegram.)

London, 2nd October, 1874.

PACIFIC decline at present entertaining question; supposed to be under influence of a competing party. Tender from Macgregor, Elder combination probably next week; also from company composed of Pacific railways and practical steamship men, but general reluctance to tender in consequence of our having no power, and of suspicion that tenders will merely be used to lower rates of subsidy asked for by parties in Sydney. We therefore suggest that day be fixed, say 15th October, for us to receive sealed tenders, to be opened by us and immediately telegraphed to you; and that you authorize us to inform parties desirous of tendering that you will receive sealed tenders in Sydney same day, but will not open them until you receive our telegram.

Enclosure 5 in No. 74.

Sir C. COWPER and Dr FEATHERSTON to COLONIAL SECRETARY and NEW ZEALAND REPRESENTATIVE, Sydney.

(Telegram).

London, 2nd October, 1874.

CONFIDENTIAL.—North German Lloyd tender San Francisco to Sydney, calling at Honolulu, Kandavau; thence to one safe New Zealand port, and then same steamer to Sydney; by three first-class iron screw steamers, British-built, at least 2,500 tons gross register; running average ten knots, thirteen round voyages, £80,000. Or service as at present, ten knots, £120,000; Bremerhaven or English port; monopoly to be guaranteed. Final terms to be agreed by joint representative in London. Steamers now ready.

Enclosure 6 in No. 74.

NORDDEUTSCHER LLOYD TENDER for a Mail Service between Sydney and San Francisco, calling at Honolulu, Kandavau, New Zealand, and *vice versa*, for the term of Six Years.

We, the undersigned, managers of the Norddeutscher Lloyd Steamship Company, at Bremen, are willing to contract, with the Colonial Governments of New South Wales and New Zealand, for a steam service to convey their mails: either,—

1. From San Francisco to Sydney, calling at Honolulu, Kandavau, thence to a safe port in New Zealand, and by the same steamer to Sydney, by three first-class iron screw steamers, British-built, of at least 2,500 tons gross register measurement, running on an average ten knots, making together thirteen round voyages per annum, for a subsidy of £80,000 sterling per annum; or,—

2. From San Francisco to Honolulu, Kandavau, thence each steamer alternately to Sydney, and the next time to four safe New Zealand ports, by four first-class steamers of at least 2,500 tons gross register measurement, running on an average ten knots, making together thirteen round voyages per annum, for a subsidy of £120,000 sterling per annum.

If desired, we are prepared to furnish one or two additional steamers of the same size and class, for cases of emergency, for an additional subsidy of £15,000 sterling for each.

The steamers to be approved of by the Government agents in Bremerhaven, or at a port of Great Britain.

We expect that, during the existence of this mail contract, no subsidy shall be granted to any other company or parties for this route, but that we shall have the preference, if a semi-monthly or three-weekly service be required.

The steamers are ready for service.

Final terms of contract to be agreed upon by joint representatives in London.

This tender subject to reply on or before 15th October next.

Direction:—Bremen, 28th September, 1874, Norddeutscher Lloyd.

C. HURKINER HERSCHFIED & Co.

To the Agents-General of the Colonies of New South Wales and New Zealand, London.

No. 75.

The AGENT-GENERAL to the Hon. J. VOGEL.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

30th October, 1874.

SIR,—

I have the honor to inform you that, in accordance with the instructions conveyed in Mr. Russell's telegram from Sydney, received on the 1st instant, and of which I communicated a copy to you in my letter of the 2nd instant, I at once directed Messrs. Mackrell to take immediate proceedings in regard to the bonds *in re* California service.

2. On communicating with the Agent-General for New South Wales in reference to the passage in Mr. Russell's telegram in which he states that the Government of New South Wales was a co-operating party in the proceedings, I found that Sir Charles Cowper had not as yet received instructions to that effect. I therefore telegraphed to Mr. Russell in the terms of which you have been made aware by my letter of 20th October, and the necessary instructions were in consequence duly despatched to Sir Charles Cowper by the New South Wales Government. A conference was immediately afterwards held between Messrs. Mackrell and the solicitors of the New South Wales office; and I now enclose a letter from Messrs. Mackrell containing information on the steps taken and the present state and prospect of the proceedings.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

Enclosure in No. 75.

Messrs. JOHN MACKRELL and Co. to the AGENT-GENERAL.

21, Cannon Street, London, E.C., 29th October, 1874.

Re Postal Contracts.

DEAR SIR,—

We beg leave to report that, under the advice of counsel, separate actions have been commenced against Mr. Hall and Mr. De Bussche, and the writs have been served, and we have sent out the necessary instructions to Messrs. Foster and Thomson, of New York, to take the necessary proceedings against Mr. Forbes and Mr. Cunningham to recover from them.

We think it probable that these proceedings may be delayed by the defendants as much as possible, in the hope that some arrangement may be made for carrying on the service, and the Government being induced to forego any claim for penalty.

We shall of course do all in our power to prevent any such delay, but it is possible that questions may be raised in the actions which may necessitate evidence being brought from the colony, and that we may therefore be unable to prevent the delay.

It has already been intimated to us on the part of Mr. De Bussche that he was not properly advised on signing the bond, and that the papers are now before his counsel to advise as to whether he can, by proceedings in Equity, obtain relief from the bond he has executed.

We have no anxiety with reference to any such proceedings, but they may operate to delay for a time the action on the bond.

We have, &c.,

JOHN MACKRELL AND Co.

The Agent-General for New Zealand.

No. 76.

The AGENT-GENERAL to the Hon. J. VOGEL.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
17th November, 1874.

SIR,—

In continuation of my letter of the 30th October, relative to the proceedings instituted against the contractors for the temporary San Francisco Mail Service, I have the honor to enclose, for your information, a letter which I received on the eve of the departure of the mail, from my solicitors, relating the proceedings taken by them since my last communication to you, together with a note of the evidence of Mr. Hall, who was examined under commission yesterday.

2. Since the receipt of Messrs. Mackrell's letter, I have been informed that a telegram has been received, reporting that process in the suit has been served on Mr. Forbes, in America.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

Enclosure in No. 76.

Messrs. JOHN MACKRELL and Co., to the AGENT-GENERAL.

21, Cannon Street, London, E.C., 17th November, 1874.

Postal Contracts.

DEAR SIR,—

We beg leave to report to you, that in the action which has been brought against Mr. Hall he has allowed judgment to go by default.

In conference with the solicitors for the Government of New South Wales, we have not thought it expedient to issue execution against Mr. Hall, unless upon direct instructions from the Postmasters-General, inasmuch as, from inquiries we have made, we cannot learn that Mr. Hall has any property which could be reached by an execution.

We have also to report that, in the action against Mr. De Bussche, on learning that Mr. Hall was about to leave England, we advised with counsel as to the propriety of having him examined to prove the default under the bond; and acting under counsel's advice, we obtained an order of a Judge, requiring his examination before a special commissioner, and Mr. Pinder was appointed to take the examination.

In conference with the solicitors to the New South Wales Government, it was thought desirable to retain the services of Sir Henry James, to act with Mr. Denistoun Wood in conducting the examination. The examination took place yesterday, and we send herewith a transcript of the shorthand writer's notes of what took place.

We hope that the evidence of Mr. Hall will be sufficient to prove the breach under the bond without the expense and delay of sending a Commission to the colonies.

We have no doubt that an application will be made by the defendant for an order upon the Postmaster-General to state what books, papers, or documents they have relating to the contracts and the performance of the service, and for leave to inspect the same.

According to the ordinary practice, ten days are given to make the affidavit with the list of documents; and if the affidavit be not made within that time, all proceedings in the action are stayed until the affidavit is perfected.

We have little doubt that a Judge will allow the proceedings to be stayed until the affidavit has been made.

It is more than probable, therefore, that this action may be stayed until Mr. Vogel and Mr. Samuel arrive in England, and can make the affidavit. We are afraid, however, that this may not be the full extent of the delay, as they may not be able to recollect, and of course will not be able to produce the papers in the colony. We think, therefore, it would be very desirable that all the papers in any way relating to the service which are now in the colony should be at once transmitted to England.

We are, &c.,

JOHN MACKRELL AND CO.

The Agent-General for New Zealand.

No. 77.

The AGENT-GENERAL to the Hon. J. VOGEL.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,
27th November, 1874.

SIR,—

In continuation of my letter of the 17th November, I have the honor to forward, for your information, a copy of a letter which I have received from my solicitors, relative to the progress of proceedings against the contractors for the temporary San Francisco Mail Service, and their sureties, now pending here and in the United States.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

Enclosure 1 in No. 77.

Messrs. JOHN MACKRELL and Co. to the AGENT-GENERAL.

21, Cannon Street, London, E.C., 25th November, 1874.

DEAR SIR,—

Postal Contracts.—As to the Temporary Service.

We have to-day received from Messrs. Foster and Thomson, of New York, a letter informing

us of the steps they have taken against Mr. Forbes and with regard to Mr. Cunningham, and, to enable you to report fully upon the matter, we append hereto a copy of the instructions we sent to Messrs. Foster and Thomson, and of the reply which we have now received.

As to the Permanent Service.

Neither we nor the solicitors to the New South Wales Government have as yet received any instructions as to any proceedings under the bond with reference to this contract. We think it right, however, to draw attention to the necessity of making a definite requisition upon the contractors as to the carriage of mails, and stating the times at which the Government wish them to be carried similar to what was done under the temporary contract, before any proceedings could be taken under the bond.

The penalty under the bond is payable on failure to provide ships to carry the mails as required, and it will be therefore necessary to support an action on the bond, to show that a formal requisition was served upon the contractors, and that within a reasonable time to enable them to perform it.

It is not necessary that the requisition should have reference to the actual date of the commencement of the permanent service, as the contract provides for the carrying of such mails as may be required at any time, and from time to time, within six years of the 27th instant.

It may therefore suffice to serve a requisition when Mr. Vogel and Mr. Samuel arrive in England, and a table can be agreed upon; but any proceedings under the bond will have to be delayed until default is made in complying with that notice, which must appoint times at a reasonable distance in point of date from the time of giving the notice.

The Agent-General for New Zealand.

We are, &c.,
JOHN MACKRELL AND Co.

Enclosure 2 in No. 77.

Messrs. PEACHEY and LLOYD, and JOHN MACKRELL and Co., to Messrs. FOSTER and THOMSON.

DEAR SIRS,—

London, 29th October, 1874.

In November, 1873, a contract was entered into by Messrs. Hayden Hezekiah Hall, of Sydney, and Mr. Paul Siemen Forbes, of the house of Russell and Co., of Shanghai, with the Postmasters-General of New South Wales and New Zealand, for the performance of a temporary mail service between San Francisco and the colonies, two prints of which contract we send herewith.

For the due performance of this contract a bond was entered into by Mr. Hall and Mr. Forbes; and also by Mr. Cunningham, of Boston, U.S., and Mr. De Bussche, as their sureties, to secure to the Postmasters-General the payment of the sum of £25,000 in the event of either of the necessary vessels not being provided to perform the service, or of such vessels not being kept at the stations, or of the employment of vessels not according to the description contained in the contract, an attested copy and prints of which bond we send herewith.

At the same time a contract was entered into for a permanent mail service, the performance of which was secured by a similar bond, but the permanent service was not to commence until the end of next month.

Default has taken place in the performance of the temporary contract, the contractors having failed to provide the necessary ships to carry on the service, and having failed also to continue at the stations those ships which were provided.

Under these circumstances we have been instructed to take the necessary steps to recover the sum of £25,000 payable under the bond, and actions have been commenced in England against Mr. Hall, who is now here, and against Mr. DeBussche.

Mr. Forbes and Mr. Cunningham are both in America, Mr. Forbes being, as we understand, in New York, and Mr. Cunningham at Boston. We are authorized to instruct you to take the necessary proceedings on behalf of the Postmasters-General against these two gentlemen to recover the £25,000 under the bond.

We have been advised to bring separate actions against Mr. Hall and Mr. De Bussche, as in the action against Mr. Hall we could claim damages as well under the contract as the liquidated sum under the bond, whereas against Mr. De Bussche we could only claim under the bond.

The bond was settled by counsel in England, having regard to the decision in the case of *Mercer v. Irving* (Ellis, Blackburn, and Ellis, 563), and we are advised that, as the bond is framed, the sum thereby secured is payable as liquidated damages, and not by way of penalty.

The only address we have of Mr. Forbes is the Union Club, New York; but no doubt both he and Mr. Cunningham are well known and easily to be found.

It is stated that Mr. Forbes has sunk a considerable sum in the service; but the failure of the service is due to his withdrawal from it at a very critical time, and when, had he not done so, there was every prospect of its being established on a satisfactory footing. The result to the Governments will doubtless be the having to organize the service under much greater difficulties, and having to give a much higher subsidy than that agreed upon with Mr. Hall and Mr. Forbes.

We are informed that Mr. Forbes is, or was, possessed of very considerable property; but it has been intimated to us that his property has been so dealt with as to prevent its being reached by his creditors.

We learn that proceedings are being taken on behalf of Mr. Hall against Mr. Forbes, by Mr. Chittenden, of New York, and that Mr. Chittenden has considerable information as to Mr. Forbes's means, and he may probably be willing to give you any information you may require.

We have not sufficient knowledge of the practice of your Courts to enable us to judge as to the evidence which will be required in support of the necessary proceedings to recover under the bond; but we will lose no time in furnishing you any information or evidence which you may require. As regards our actions in England, we purpose examining Mr. Hall to prove the default under the contract,

and possibly we might induce him to give evidence in the proceedings against Mr. Forbes and Mr. Cunningham.

We have much pleasure in placing this matter in your hands, in full reliance that you will succeed in recovering for the Postmasters-General the amount payable by Mr. Forbes and Mr. Cunningham under the bond.

We are, &c.,

| | | |
|------------------------|---|--|
| PEACHEY AND LLOYD, | { | Frederick Place Road, Old Jewry, London, Solicitors for the Postmaster-General of New South Wales. |
| JOHN MACKRELL AND Co., | { | 21, Cannon Street, London, Solicitors for the Postmaster-General of New Zealand. |

Messrs. Foster and Thomson, 69, Wall Street, New York.

Enclosure 3 in No. 77.

Messrs. FOSTER and THOMSON to Messrs. PEACHEY and LLOYD, and JOHN MACKRELL and Co.
Office of Foster and Thomson, Attorneys and Counsellors at Law,

GENTLEMEN,—

69, Wall Street, New York, 13th November, 1874.

We duly received your joint letter of 29th October with enclosures, and yesterday also received telegram of Messrs. Peachey and Lloyd.

We commenced an action yesterday in the Supreme Court of our State against the four obligors for the sum of \$133,750, the equivalent in our currency of £25,000, the liquidated damages stipulated for. We obtained almost immediate service upon Mr. Forbes, which gives jurisdiction in the action. Although we join all the "joint debtors" as defendants, our judgment here, if obtained, would only bind the undivided property of Mr. Forbes, and the joint property of any which the others might hold with him.

We have sent to Boston to ascertain the position of Mr. Cunningham, and the probability of his coming to New York within any short time. Should we not be able to have him served with process in New York, we will commence a similar action in Massachusetts by service upon him in Boston. We will adopt all means for pressing the matter, and will keep you advised of progress.

We have, &c.,

FOSTER AND THOMSON.

Messrs. Peachey and Lloyd, Frederick Place, Old Jury.

Messrs. John Mackrell and Co., 21, Cannon Street, London.

No. 78.

Mr. RUSSELL to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,—

Auckland, 4th November, 1874.

I have the honor to inform you that, in accordance with the agreement between the two colonies of New South Wales and New Zealand, it will become necessary to provide for receiving the New Zealand mails at Auckland, and for delivering the inward mails at same place. Under the agreement, the cost of the service between Port Chalmers and Auckland is to be borne by the two colonies in equal shares; and the New South Wales Government have requested the New Zealand Government to make the necessary arrangements, expressing, however, the hope that the cost of it might not exceed £3,000 per annum.

As the "City of Melbourne's" inward mail had left London before the agreement was made, there will be no New Zealand inward mail by San Francisco this month, but there will be an outward mail by the "Mikado," leaving Sydney 19th November, and Auckland 25th November; and there will be an outward mail every four weeks thereafter. The "Cyphrenes" with the inward mail will be due here about 4th December, and the "Macgregor" on the 1st January, 1875: the mail will then be due regularly every four weeks thereafter. Will you give instructions for making the necessary arrangements accordingly?

I have, &c.,

THOMAS RUSSELL.

The Hon. the Colonial Secretary, Wellington.

Enclosure in No. 78.

MEMORANDUM OF AGREEMENT.

THE undersigned, being authorized to act respectively for the Governments of New South Wales and New Zealand, have considered the offers made by the Australasian Steam Navigation Company, under date October 17th, 1874, to undertake a steam packet service between San Francisco and Sydney, *via* Honolulu and Auckland, or between the same ports *via* Honolulu and Fiji, and they find that it is not practicable for the two colonies to unite in accepting either of these offers. While these and other matters relative to the Pacific Mail Service have been under consideration, counsel's opinion has been obtained as to the position of the two Governments, as parties to the "permanent contract" with Messrs. Hall and Forbes; and with that opinion before them, the undersigned feel restricted from taking any steps to commit their respective Governments to a new permanent contract until February, 1875. The contractors having now completely failed to carry on the "temporary service," the under-

signed consider that the most advisable course will be to improve in the most effective manner the *interim* service, now being performed in its stead by the Australasian Steam Navigation Company, and at the same time to relax no effort to enforce payment of the penalty of £25,000 for failure of contract by Messrs. Hall and Forbes. In view of the future, the Government of New South Wales insists that any service entered into by the two colonies for a term of years shall embrace Fiji, and shall not be impaired by any divergence from the direct route between Sydney and San Francisco, calling at Fiji and Honolulu; and the Government of New Zealand strongly objects to the divergence from the direct route between New Zealand and San Francisco which calling at Fiji necessitates, and consents to that divergence only on condition that the terminus in New Zealand shall be Port Chalmers, on account of the populous and important character of that part of the colony. At the same time the balance of testimony goes to show that a service of the requisite speed, punctuality, and comfort to passengers can only be performed by ships of large capacity, at least 2,500 tons gross register; and it appears highly desirable that the cost of subsidizing ships of this character should be borne equally by both colonies. The undersigned therefore agree, on behalf of their respective Governments, to unite in establishing and maintaining a mail service to San Francisco on the following conditions:—

1. The two Governments will use their utmost efforts to have the contract (hitherto known as the permanent contract) made between the undersigned and Messrs. Hall and Forbes on the 27th day of November, 1873, carried out without alteration.

2. In the event of the present contractors failing to carry out their contract within the extended time agreed upon, the two Governments will unite to enforce payment of the amount secured to the Governments by bond from the sureties.

3. In the event of failure as indicated in section 2, and other competent persons declining to undertake the "permanent contract" as made on the 27th November, 1873, the two Governments agree, should it be found to be absolutely necessary, to modify the terms thereof so far as to accept a speed of eleven knots, an extended period of eight years, and an increase of subsidy, which, however, shall not exceed £90,000 per annum without reference to the respective Governments.

4. The ships to be employed shall not be of an inferior class to the ships proposed to be employed in the permanent contract.

5. The new permanent service may fork at Fiji as provided for by the contract of 27th November, 1873, or the ships from Port Chalmers may run through to San Francisco and the ships from San Francisco run through to Sydney, or other modifications in that respect may be made at the option of the contractors, subject to the approval of the two Governments.

6. The two Governments agree to continue and maintain at their joint expense and in equal shares the best service procurable, until a thoroughly efficient permanent service, as indicated in the foregoing sections, can be established, the ships calling at Auckland and at a port in Fiji (as may be agreed upon), with a branch steamer between Port Chalmers and Auckland; but this arrangement for a temporary service may be abandoned by either Government, should it be found impossible by the end of June, 1875, to obtain the permanent service stipulated for within the limits prescribed by this memorandum.

7. The two Governments also agree, in the event of their establishing a new permanent service, to bear in equal proportions all special expenditures already incurred by either for the conveyance of mails, in consequence of the failure of Messrs. Hall and Forbes to carry out the temporary service, and including the sum of £3,000 advanced to the contractors by the Government of New South Wales.

8. Each of the two Governments shall appoint an accredited representative to meet and co-operate in England in February next, with full powers to do all that is necessary to complete a contract for an efficient service from Sydney, in New South Wales, and from Port Chalmers, in New Zealand, upon the plan prescribed in the permanent contract before referred to, and to recover the penalties incurred by the failure of Messrs. Hall and Forbes.

9. Should the two Governments ultimately find it impracticable to join in establishing a permanent service, the provisions contained in section 7 of this memorandum shall have no effect, but each Government shall in such case bear its own losses in respect to the expenditure therein referred to.

10. Notwithstanding anything said in this memorandum, it is agreed that, in establishing the new permanent service, preference shall be given to an Australasian company, all other things being equal.

SAUL SAMUEL,

For the Government of New South Wales.

THOMAS RUSSELL,

For the Government of New Zealand.

No. 79.

Mr. LEDGER to the Hon. the POSTMASTER-GENERAL.

New Zealand Steam Shipping Company (Limited), Wellington,
19th November, 1874.

SIR,—

I have the honor to inform you that the directors of this company are willing to perform the service of carrying the inward and outward San Francisco mail from Manukau to Port Chalmers and back to Manukau, upon the following terms and conditions, viz. :—

"The steamer to leave Manukau on the arrival of the mail from San Francisco.

"In the event of the mail from San Francisco not arriving at Auckland at its due date, the steamer to await its arrival twenty-four hours, without extra payment; beyond that period, a payment to be made to the company of fifty pounds per day, or part of a day, such detention not to exceed forty-eight hours after the vessel's advertised time of sailing, or the due date of arrival of the San Francisco mail; and the detention to be computed from the advertised hour that the vessel should leave Onehunga, in time to cross the bar at the Manukau Heads during the daylight, and at time of high water on that date.

“Should the vessel be required to leave Manukau before the advertised date and time of sailing, an extra payment to be made the company of fifty pounds per day or part of a day, time to be computed as above stated.

“These conditions to refer to the departure of the vessels from Port Chalmers.

“The service to continue for the period of twelve months, should the San Francisco Mail Service exist for that time. Payment for such service, one hundred and fifty-five pounds (£155) per trip, payable monthly, or after performance of such trip.”

I have, &c.,

R. S. LEDGER,

Manager.

The Hon. the Postmaster-General, Wellington.

No. 80.

The Hon. W. H. REYNOLDS to the CHAIRMAN of the DIRECTORS, New Zealand Steam Shipping Company, Wellington.

SIR,—

General Post Office, Wellington, 19th November, 1874.

I have the honor to acknowledge the receipt of your manager's letter of this day's date, offering, on behalf of your Company, to perform a steam service providing for the carriage of the mails between the Manukau and Port Chalmers, in connection with the existing temporary San Francisco Mail Service.

2. The conditions on which your Company are willing to perform the service between the Manukau and Port Chalmers appear to be,—

- (1.) That one of your Company's steamers shall leave the Manukau for Port Chalmers on the arrival of the mails at Auckland from San Francisco.
- (2.) That in the event of the steamers from San Francisco not reaching Auckland on the appointed date, your Company agree to detain a steamer at the Manukau for a period of forty-eight hours, if necessary, but not longer, the first twenty-four hours' detention being free of charge to the Government; but for the succeeding twenty-four hours, or any part thereof, your Company to receive the sum of £50.
- (3.) The forty-eight hours' detention to be reckoned from the hour at which your Company's steamer is advertised to leave the Manukau on the date the steamer from San Francisco is due at Auckland—it being understood that such hour of departure is intended to allow the steamer crossing the Manukau bar at high water, and during daylight.
- (4.) In the event of any of your Company's steamers being required to leave the Manukau earlier than the date fixed for the arrival of the San Francisco mail steamer at Auckland, your Company to be paid at the rate of £50 for every period of twenty-four hours (or part thereof) the steamer sails before the date fixed for the arrival of the San Francisco mails at Auckland.
- (5.) That the sailing of the steamers from Port Chalmers to the Manukau shall be subject to the above conditions.
- (6.) That the service shall continue for a period of twelve months, provided the existing temporary arrangements for the mail service between San Francisco and Auckland remain in force for the above period. In the event of the existing San Francisco service not continuing for twelve months, then any arrangements which may be made with your Company shall cease on notice being given to that effect.
- (7.) That the payment for the service shall be at the rate of £155 for each complete double trip—that is to say, the voyage from Manukau to Port Chalmers, and Port Chalmers to Manukau. Payment to be made on the completion of each double trip.

3. The above, I think, fairly embodies the conditions under which your Company are willing to undertake the service; and I have the honor, on behalf of the Government, to accept the offer made through your manager for the carriage of the San Francisco English mails between the Manukau and Port Chalmers, subject to the above conditions.

4. You will observe that the conditions respecting the continuance of the service have been amplified, and thus made clearer.

5. Although it is not stated in the offer made by your Company, I understand that the intermediate ports of New Plymouth, Nelson, Picton, Wellington, and Lyttelton are included in the service.

6. The next mail steamer from San Francisco will be due at Auckland about the 4th December proximo, and I shall be glad to learn that your Company will commence the proposed service at the Manukau on the above date.

I have, &c.,

The Chairman of the Directors of the N.Z.S.S. Co. (Limited),
Wellington.

WILLIAM H. REYNOLDS.

No. 81.

Mr. DALGARNO to Mr. RUSSELL.

SIR,—

General Post Office, Sydney, 13th November, 1874.

I am directed to enclose, for your perusal, the accompanying copy of correspondence, which has taken place since your departure from Sydney on the 24th ultimo (in continuation of that of which you already possess copies), between this department and the Australasian Steam Navigation Company

and others, having reference to the temporary arrangements for the carrying on of the mail service to and from San Francisco.

You will, perhaps, at your convenience, be so good as to transmit the correspondence in question for the purpose of record by the Postmaster-General of New Zealand, as this department is only furnishing yourself with a copy at present.

I am also to forward herewith copies of telegrams respectively addressed to yourself and the Postmaster at Auckland on the 11th instant.

Thomas Russell, Esq., Auckland.

I have, &c.,
JAMES DALGARNO,
Pro Secretary

Enclosure 1 in No. 81.

Mr. LAMBTON to the MANAGER, Australasian Steam Navigation Company.

SIR,— General Post Office, Sydney, 27th October, 1874.

With reference to your letter dated the 24th instant, respecting the draft agreement with your company for the conveyance of the mails to and from San Francisco and Sydney until December next, I am directed to state that the Postmaster-General will be glad if you will inform him what are the provisions in the draft contract, transmitted to you on the 23rd idem, to which your directors object.

I have, &c.,
S. H. LAMBTON,
Secretary.

The Manager, A.S.N. Co., Sydney.

Enclosure 2 in No. 81.

The Hon. SAUL SAMUEL to the CHAIRMAN and DIRECTORS, A.S.N. Co.

GENTLEMEN,— General Post Office, Sydney, 27th October, 1874.

Referring to the letter addressed to you by myself and Mr. Russell on the 12th instant, respectively on behalf of the Governments of this colony and New Zealand, I have the honor to request that you will be so good as to state whether you accede to the terms therein offered for the continuance of the mail service to and from San Francisco beyond the month of December next. If not, I shall be glad to know on what terms you will continue the service, say, for a further period of six months.

I have, &c.,
SAUL SAMUEL.

The Chairman and Directors, A.S.N. Co., Sydney.

Enclosure 3 in No. 81.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

SIR,— Australasian Steam Navigation Company, Sydney,
28th October, 1874.

I have the honor to acknowledge receipt of your letter of the 27th instant, and, in reply, beg to say that the communication from yourself and Mr. Russell, under date of 12th idem, is engaging the attention of my Board, who trust shortly to be able to give you a definite answer thereto.

I have, &c.,
FRED. H. TROUTON,
Manager.

The Hon. the Postmaster-General, Sydney.

Enclosure 4 in No. 81.

The Hon. SAUL SAMUEL to the CHAIRMAN and DIRECTORS, A.S.N. Co.

GENTLEMEN,— General Post Office, Sydney, 30th October, 1874.

With reference to your letter, dated the 28th instant, I have the honor to state that it is desirable that some definite reply, regarding the extension of the temporary service beyond December next, should be sent to me before the 5th proximo, in order that time may be afforded to permit of other arrangements being made, if your terms are such as cannot be accepted.

I have, &c.,
SAUL SAMUEL.

The Chairman and Directors A.S.N. Co., Sydney.

Enclosure 5 in No. 81.

The ASSISTANT MANAGER, A.S.N. Co. to the POSTMASTER-GENERAL, Sydney.

SIR,— Australasian Steam Navigation Company, Sydney,
31st October, 1874.

In further reference to your letter of the 27th instant, I do myself the honor, under direction of the Board, to inform you that they are prepared to offer to perform the service for six months, from 1st January next, if they can procure the boats named, for which I beg to say they are now in negotiation.

I have, &c.,
WM. WILLIAMS,
Assistant Manager.

The Hon. the Postmaster-General, Sydney.

Enclosure 6 in No. 81.

Mr. HALLOLAN to the MANAGER, A.S.N. Co.

SIR,—

Colonial Secretary's Office, Sydney, 2nd November, 1874.

I am directed by the Colonial Secretary to acknowledge the receipt of your letter of the 30th ultimo, enclosing letter of the 2nd ultimo from your secretary to the Postmaster-General, which, at the suggestion of Mr. Samuel and Mr. Russell, of New Zealand, concurred in by Mr. Parkes, was withdrawn by you.

2. Your letter, with its enclosure, is respectfully returned, as not being addressed, presumably from inadvertence, to the proper department.

3. As the Colonial Secretary was, however, present when the letter of the 2nd ultimo was withdrawn, he is in a position to say that its withdrawal was insisted upon by Mr. Samuel and Mr. Russell, not merely on account of its tone of discourtesy, but because it attributed confusion and irregularity to the negotiations between your directors and them, which, so far as they were concerned, they were not prepared to admit had any existence.

4. The letter itself, having been actually withdrawn fully three weeks ago, cannot now be further dealt with, and Mr. Parkes is at a loss to understand why time should be fruitlessly consumed in attempting to reinvest it with an importance which it does not possess. It was of no consequence whatever to the Government whether the letter was withdrawn or not, and its withdrawal was only sought with the hope of preventing any unnecessary misunderstanding or unpleasantness with your directors.

5. Mr. Parkes would beg permission to suggest to the directors that the business of the Company with this Government would very probably be improved in tone, precision, and despatch if they could see their way to entrust it to their chairman, or to their manager, as the Company's responsible representative.

The Manager, A.S.N. Co., Sydney.

I have, &c.,

HENRY HALLOLAN.

Enclosure 7 in No. 81.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,
4th November, 1874.

SIR,—

In reply to your letter of the 30th ultimo, I do myself the honor, under direction of the Board, to say that the Company have procured the despatch of a telegram to London in respect to the re-charter of the vessels named, and as yet have received no answer. After receipt of a reply we will communicate with you as early as possible on the subject of your letter.

I have, &c.,

FRED. H. TROUTON,

Manager.

The Hon. the Postmaster-General, Sydney.

Enclosure 8 in No. 81.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, New South Wales, and
Mr. RUSSELL.Australasian Steam Navigation Company, Sydney,
6th November, 1874.

GENTLEMEN,—

In reply to your letter of the 12th ultimo I do myself the honor, by direction of the Board, to inform you that in consequence of the altered conditions and increased price required for the charter of the "Mikado," "Macgregor," and "Cyphrenes" by the owners, this Company is not in a position to perform the San Francisco Mail Service into 1875 with those vessels, but they are prepared to make an offer to do the service with the Company's own boats and such others as they can procure.

I have, &c.,

FRED. H. TROUTON,

Manager.

The Hon. the Postmaster-General, N.S.W., and Mr. Russell.

Enclosure 9 in No. 81.

Mr. DALGARNO to the MANAGER, A.S.N. Co.

General Post Office, Sydney, 7th November, 1874.

SIR,—

With reference to your letter dated the 6th instant, I am directed to request that you will be good enough to state, as early as possible, on what terms your Board are prepared to convey the San Francisco mails with your Company's own boats, and such others as you can procure, and to name the vessels it is proposed to employ.

I have, &c.,

JAMES DALGARNO,

(for Secretary).

The Manager, A.S.N. Co., Sydney.

Enclosure 10 in No. 81.

The Hon. SAUL SAMUEL to the MANAGER A.S.N. Co.

MY DEAR SIR,—

Sydney, 11th November, 1874.

I find there is a steamer leaving Melbourne for New Zealand to-morrow. I must therefore have a reply to the letter from this department addressed to you on the 7th instant, relative to the extension of the temporary service, in the course of to-day. I imagine you will have no difficulty in complying with this request, as the letter has been in your hands some days, and would of course have received the consideration of your Board, which met yesterday.

The Manager, A.S.N. Co., Sydney.

Yours, &c.,
SAUL SAMUEL.

Enclosure 11 in No. 81.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,
13th November, 1874.

SIR,—

In reply to your letters of the 7th and 11th instant, I do myself the honor, under instructions from the Board of Directors, to say that for a sum of £3,750 per trip hence to San Francisco, and a like sum for the return voyage to Sydney without penalties, the Company are prepared to perform the service for the time required, with the boats now employed in it—viz., the "Cyphrenes," "Macgregor," and "Mikado,"—if these can be chartered at rates slightly below those at which they are at present engaged by us; or, if obtainable, with other suitable boats.

Failing which, the Company will undertake the service with their own boats—viz., "City of Melbourne," "City of Adelaide," and "Wentworth,"—at the rate of £3,000 per lunar month, with penalties and premiums.

The favour of an early reply is requested, to enable the Company to place themselves in communication with the owners of the ships proposed to be chartered.

I have, &c.,
FRED. H. TROUTON,
Manager.

The Hon. the Postmaster-General, Sydney.

Enclosure 12 in No. 81.

Messrs. TAYLOR and COX to the POSTMASTER-GENERAL, Sydney.

Agency Pacific Mail Steamship Company, San Francisco,
10th October, 1874.

SIR,—

Learning that the contractors for the mail service from your colony to this port are unable to carry out their engagement, and judging from the very able speech of your Colonial Secretary (Hon. Mr. Parkes), made at the Victoria Theatre on 18th August last, that you find the line a necessity, and desire its continuance, we write to say that, if arrangements mutually satisfactory can be made, we are willing to give you a monthly line of steamers, and pledge ourselves to perform the service in a manner befitting its importance. Our facilities for doing so are, perhaps, better than those of any other company.

We own and have running thirty-five steamships, second to none afloat in safety, comfort, speed, equipment, and cuisine, with an aggregate of about 100,000 tons.

The company has been in existence twenty-five years, and is now carrying out successfully a ten years' contract with the United States Government for a bi-monthly service between this country, China, and Japan.

Knowing that your recent experience with American lines has been most unsatisfactory, we are the more anxious to demonstrate that this company is fully able to establish permanently just such a line between Australia, New Zealand, and this country, as the large and increasing trade and travel demand.

We may briefly state that our steamers range from 3,000 to 4,000 tons, and that our dock, plant, workshops, and store-houses (bonded and free), are on a scale commensurate with our business.

The track of the Central Pacific Railroad runs down on our wharf, so that overland freight can be transferred from steamers to cars with the least possible delay.

If the nature of the merchandise will not admit of railroad rates, we have steamers of large tonnage running every fortnight to Panama, and connecting at Colon (Aspinwall) with our Atlantic steamers running to New York; also, with Royal Mail Steam Packet Company and West India Steamship Company to Liverpool, Hamburg American Packet Company to Germany, and Compagnie Générale Trans-Atlantique to France.

At Panama we connect with the Pacific Steam Navigation Company, running to all South American ports, and at this port with lines running as far North as Vancouver Land, and with our own branch line to all Mexican and Central American ports.

By arrangement with these connecting lines, we issue through bills of lading, and can contract to carry either passengers, freight, or treasure from Sydney to all ports in China, Japan, British Columbia, Oregon, Mexico, and Central and South America, as well as to all the principal European ports, without further trouble to your shippers after they receive their bills of lading.

We have requested Hon. Mr. Okney, late member from West Melbourne, Victoria, who is here on a visit, and leaves by this opportunity, to call upon you. He has seen and inspected our ships and property here, and can post you fully regarding same.

We shall be most happy to hear from you on this subject.

Very respectfully,
TAYLOR AND COX,
Agents P.M.S.S. Co.

The Hon. the Postmaster-General, Sydney.

No. 82.

Mr. GRAY to SECRETARY, General Post Office, Sydney.

SIR,— General Post Office, Wellington, 21st December, 1874.

I have been directed to acknowledge the receipt of your letter of the 13th November last, addressed to Mr. Russell, and to thank you for the enclosures which it contained.

The Secretary, General Post Office, Sydney.

I have, &c.,
W. GRAY.

No. 83.

Hon. SAUL SAMUEL to Mr. RUSSELL.

SIR,— General Post Office, Sydney, 21st November, 1874.

I enclose herewith, for your information, a copy of further correspondence which has taken place between this department and the Australasian Steam Navigation Company and Messrs. Gilchrist, Watt, and Co., having reference to the continuance of the temporary mail service *via* San Francisco; and I shall be glad if you will kindly undertake to forward the same for record by the Postmaster-General of New Zealand, as this department is only furnishing yourself with a copy of the correspondence at present.

Thomas Russell, Esq., &c., Auckland.

I have &c.,
SAUL SAMUEL.

Enclosure 1 in No. 83.

The MANAGER, A.S.N. Co. to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,

SIR,— 14th November, 1874.

Referring to my letter of yesterday's date, I beg leave to say that I omitted to state, if the "Mikado" be one of the boats employed in the service, the sum which the company would require for that vessel would be the same as that which the Government are paying us for the present voyage—viz., £4,000 per trip, each way to and from San Francisco.

The Hon. the Postmaster-General, Sydney.

I have, &c.,
FRED. A. PHILLIPS, Secretary,
(*pro* Manager).

Enclosure 2 in No. 83.

Mr. LAMBTON to the MANAGER, A.S.N. Co.

SIR,— General Post Office, Sydney, 16th November, 1874.

I am directed to inform you, in reply to your letters of the 13th and 14th instant, that the boats belonging to your company, which you name as the vessels proposed to be employed in the performance of the San Francisco mail service, are not considered by this Government suitable for the purpose. Moreover, as the New Zealand Government is associated with the Government of this colony in carrying out the service, the Postmaster-General could not, without their concurrence, consent to the employment of steamers of less capacity and power than those arranged for at present.

Mr. Samuel, however, is prepared, on behalf of the Governments of New Zealand and this colony, to enter into an engagement with your Board on the terms which they offer—viz., £3,750 per trip hence to San Francisco, and a like sum for the return trip to Sydney, for the period of six months from the termination of the existing agreement, for the steamers "Mikado," "Macgregor," and "Cyphrenes," with the further understanding that £250 extra, per trip, shall be paid for the "Mikado," provided the amount now required for the charter of that vessel to your Company is not reduced.

Of course it will be understood that if the three steamers named should prove insufficient for the service, or any of them become disabled, the Company are to provide other suitable boats, to be approved by the Postmaster-General.

The time-table will be fixed by this department, arranging for a stoppage at San Francisco not exceeding twelve days; detention beyond that period to be paid for at a rate per diem to be agreed upon.

Mr. Samuel is also of opinion that premiums and penalties should be provided for in the contract.

I am to add that it will be necessary that no time be lost in definitely stating that you have secured the steamers in question, and are in a position to conclude the matter.

The Manager, A.S.N. Co., Sydney.

I have, &c.,
S. H. LAMBTON,
Secretary.

Enclosure 3 in No. 83.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,

SIR,— 18th November, 1874.

In reply to your Secretary's letter of the 16th instant, which I have had the honor to receive, I am directed to say—

1. That my Board are quite unable to concur with your Government in considering that the

boats belonging to this Company named by me are unsuitable for the temporary service for which they were proposed.

2. That my Board feel obliged by your offer to enter into an engagement with them, as stated by you; but, inasmuch as you have named the boats to be employed and prescribed the route to be taken, the Company cannot agree to be bound by penalties, nor to allow more than ten days at San Francisco, without payment of demurrage, nor to substitute other boats in the event of the said boats being disabled, or proving in any way insufficient for the service, without being allowed a satisfactory remuneration for so doing.

3. That my Board in fact do not see their way to vary the proposal I had the honor to submit to you in my letters of the 13th and 14th instant.

I have, &c.,

FRED. H. TROUTON,
Manager.

The Hon. the Postmaster-General, Sydney.

Enclosure 4 in No. 83.

Mr. LAMBTON to the MANAGER, A.S.N. Co.

SIR,—

General Post Office, Sydney, 19th November, 1874.

I am directed to transmit herewith, for the guidance of the s.s. "Mikado," instructions in respect of the mails to be received and delivered by him on the voyage to and from San Francisco.

I am also to state that the mails per "Mikado" should arrive at San Francisco on the 23rd December, the return mails leaving San Francisco on the 2nd January, 1875; but Mr. Samuel directs that the steamer shall leave that port with the return mails from England immediately after their arrival.

In case of need, however, she is to wait a period not exceeding seven days for them. Should they not then have arrived, the steamer must return here, unless the captain hears they are on the way across the American Continent, in which case he would of course wait a reasonable time.

I have, &c.,

S. H. LAMBTON,
Secretary.

The Manager, A.S.N. Co., Sydney.

Sub-Enclosure to Enclosure 4 in No. 83.

INSTRUCTIONS TO COMMANDERS.

THE commander to see that the mails in question are properly received, securely kept whilst on board, and carefully delivered up at destination, and that the necessary entries and acknowledgments are made on the way-bill, which will be handed to him with the mails.

It will be necessary, in like manner, that the commander take charge of mails which may be handed to him at Auckland and Honolulu, and on the return voyage from San Francisco take similar precautions to secure the safe and expeditious transit of the mails which may be placed in his charge for the Australasian colonies, Honolulu, and Auckland.

The commander will, on his arrival at San Francisco, see that no time is lost in the landing and delivering of the mails to the Post Office at that port.

The commander will be good enough to subscribe to the enclosed form of Post Office declaration before a Magistrate, and thereafter return it to this office.

Enclosure 5 in No. 83.

Messrs. GILCHRIST, WATT, and Co. to the POSTMASTER-GENERAL, Sydney.

SIR,—

Sydney, 18th November, 1874.

We are instructed by Messrs. D. R. Macgregor and Co. to offer on their behalf to contract to perform the temporary mail service (commencing in January next) between this port and San Francisco *via* Auckland, with the boats named in the margin; and so soon as the Government are ready to enter into a contract for the purpose, we will be prepared to arrange for it on behalf of Messrs. D. R. Macgregor and Co.

If the Government are now ready to make a contract, we will be glad if it can be arranged before "Mikado" leaves, so that, in the event of the Government arranging with Messrs. D. R. Macgregor and Co., the necessary instructions may be conveyed by the "Mikado" to the agents of Messrs. D. R. Macgregor and Co. at the various ports of call.

We have, &c.,

GILCHRIST, WATT, AND Co.

The Hon. the Postmaster-General, Sydney.

Enclosure 6 in No. 83.

Mr. LAMBTON to the MANAGER, A.S.N. Co.

SIR,—

General Post Office, Sydney, 20th November, 1874.

I am directed to acknowledge the receipt of your letter of the 18th instant, and to say that as your Company do not see their way to vary the proposal submitted in your letters of the 13th and 14th instant, and as Mr. Samuel considers that the conditions which I was instructed to propose in my letter of the 16th instant are necessary for the due protection of the public interest, it does not appear that any advantage would arise from continuing the negotiations.

Mr. Samuel desires me to express his regret that the efforts of the Government to make a contract with the Australasian Steam Navigation Company for an extension of the temporary service have proved unsuccessful.

The Manager A.S.N. Co., Sydney.

I have, &c.,
S. H. LAMBTON,
Secretary.

Enclosure 7 in No. 83.

The MANAGER, A.S.N. Co., to the SECRETARY, General Post Office, Sydney.
Australasian Steam Navigation Company, Sydney,
20th November, 1874.

SIR,—

I have had the honor to receive your letter of this date, and am directed to express the regret felt by my Board, that the offer made by this company to continue for a further period the temporary mail service to San Francisco now performed by the Company, cannot be accepted by the Hon. the Postmaster-General.

The Secretary, General Post Office, Sydney.

I have, &c.,
FRED. H. TROUTON,
Manager.

Enclosure 8 in No. 83.

The SECRETARY, A.S.N. Co., to the SECRETARY, General Post Office, Sydney.
Australasian Steam Navigation Company, Sydney,
20th November, 1874.

SIR,—

I have had the honor to receive your letter of yesterday's date, enclosing instructions for the commander of the "Mikado" in respect to the mails to be conveyed by that vessel, to which his adherence will be requested.

Should it be necessary to delay the "Mikado" at San Francisco for the mails beyond the stipulated time of twelve days, I beg leave to say that it is to be understood the Company are to receive from the Government a proportionate increase over the subsidy money, £4,000 per trip, which would be equivalent to £111 2s. 3d. for every day or part of a day which she may be detained in excess of the agreed twelve days.

The Secretary, General Post Office, Sydney.

I have, &c.,
FRED. PHILLIPS,
Secretary.

Enclosure 9 in No. 83.

Mr. LAMBTON to the MANAGER, A.S.N. Co.

SIR,—

General Post Office, Sydney, 20th November, 1874.

I am directed to acknowledge the receipt of your letter of this date, in reply to mine of yesterday's, which conveyed to you instructions for the commander of the "Mikado" in respect of the mails to be received and delivered by him, and stating the understanding that the Company are to receive a proportionate increase over the subsidy money, £4,000 per trip, in the event of it being necessary to delay the vessel at San Francisco, in order to obtain the mails, beyond the stipulated time of twelve days.

The Manager, A.S.N. Co., Sydney.

I have, &c.,
S. H. LAMBTON,
Secretary.

Enclosure 10 in No. 83.

Mr. LAMBTON to MESSRS. GILCHRIST, WATT, and Co., Sydney.

GENTLEMEN,—

General Post Office, Sydney, 21st November, 1874.

Referring to your letter dated the 18th instant, intimating that Messrs. D. R. Macgregor and Co. have instructed you on their behalf to offer to contract to perform the temporary mail service (commencing on January next) between this port and San Francisco, *via* Auckland, with the steamships "Macgregor," "Mikado," and "Cyphrenes;" and that so soon as the Government are ready to enter into a contract for the purpose, you will be prepared to arrange therefor, on behalf of Messrs. D. R. Macgregor and Co.; and referring also to the conversations on the subject the Postmaster-General has had with your Mr. Watt, I am directed to state that Mr. Samuel will be glad if you will submit in writing your offer to carry on the service in question.

Messrs. Gilchrist, Watt, and Co., Sydney.

I have, &c.,
S. H. LAMBTON.

No. 84.

Mr. GRAY to SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 21st December, 1874.

I have been directed to acknowledge the receipt of the Hon. Mr. Samuel's letter to Mr. Russell of the 21st November last, and to express on behalf of the Acting Postmaster-General his thanks for the enclosures which it contained.

I have, &c.,

W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

No. 85.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 11th January, 1875.

I am directed to inform you that in pursuance of the agreement between the Postmaster-General of this Colony and Mr. Thomas Russell on behalf of New Zealand, arrangements have been made, after considerable difficulty, in negotiation with the Australasian Steam Navigation Company, to continue the San Francisco service until July next.

The Company undertake to perform the service to and from Sydney, Auckland, Honolulu, and San Francisco, in accordance with a time-table to be fixed by the Postmaster-General, for the sum of £4,000 per trip each way, to be paid respectively on advice of arrival of the steamer at San Francisco, and on arrival of the steamer at Sydney.

While the Company undertake to do their utmost to expedite the voyages, they do not agree to the imposition of penalties for late arrivals, &c.; and they also insist on a stipulation that the time-table shall not provide for the steamer being delayed more than twelve days at San Francisco, and that any detention beyond that date shall be paid for at the rate of £3,000 per lunar month.

A formal agreement will be at once prepared and submitted to the Company for execution, particulars of which are shown in the memorandum annexed hereto, and I am to state that the arrangement is the best which Mr. Samuel could make under the circumstances. Copies of the correspondence on this subject will hereafter be forwarded to you.

It should be mentioned that provision will be made in the agreement exempting the Company from port dues, &c., at Sydney, and that similar privileges at New Zealand have been asked by the Company. While, however, Mr. Samuel has not consented to this being provided for in the agreement, the Postmaster-General of New Zealand will probably not object to arrange for this concession, which the Company expect will be granted.

I am also to enclose copies of the new time-table, which it will be seen is based upon that which has regulated the service hitherto.

I have, &c.,

S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, Wellington.

Enclosure in No. 85.

MEMORANDUM REFERRED TO.

CONVEYANCE of mails between Sydney, Auckland, Honolulu, and San Francisco, each way, once in every four weeks, according to the time-table to be fixed by the Postmaster-General of New South Wales: provided the time-table does not allow more than twelve days' stoppage of steamers at San Francisco from specified time of arrival from Sydney to specified date of departure for Sydney.

If a time-table be fixed providing for less stoppage than twelve days, the Company to be at liberty, if absolutely necessary, to detain the steamer twelve days from the specified day of arrival at San Francisco.

Should the steamer be detained at San Francisco, waiting for mails, beyond the period of twelve days, the Company to be reimbursed for such detention at the rate of £3,000 per lunar month.

The service includes the completion of seven trips from Sydney to San Francisco, and seven trips from San Francisco to Sydney; service to commence on the 16th January, 1875.

The steamers to be employed are the "Macgregor," the "Mikado," the "Cyphrenes," and the "City of Melbourne." In the event of either the "Macgregor," "Mikado," or "Cyphrenes" being unable, from any cause whatever, to perform the work allotted to them, the Company to provide another vessel of equal capacity, if procurable, or despatch suitable steamers from their own fleet in lieu thereof, to be approved by the Postmaster-General.

The Company agree to perform each trip in 792 hours, including stoppages at Auckland and Honolulu, or with the utmost despatch, but are not bound in any penalties as to time in performance of the voyages.

The Company are not bound to despatch a steamer from San Francisco according to time-table in the event of accident to ship or machinery.

The steamers, if required, to have free use of the Fitzroy Dock and machinery at Cockatoo Island, if not otherwise occupied, for a period not to exceed five days, on the completion of each voyage from San Francisco to Sydney, and to be exempt from port dues.

The sum of £4,000 per trip each way, payable under this agreement by the colonies of New South Wales and New Zealand, to be paid by the Postmaster-General, Sydney, to the Company, on advice of arrival at San Francisco, and on arrival at Sydney respectively.

No. 86.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 6th February, 1875.

I am directed to forward herewith, for the information of the Postmaster-General of New Zealand, copies of the correspondence on the subject of the contract with the Australasian Steam Navigation Company, Sydney, for the conveyance of mails *via* San Francisco, as referred to in my letter of the 11th ultimo.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington.

Enclosure 1 in No. 86.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,

23rd December, 1874.

SIR,—

Referring to the verbal understanding arrived at between us for the continuance of the temporary Pacific mail service, I am instructed, by my Board, to place on record the terms of the arrangement as they conceive them to exist:

1. Conditional on our being able to secure the steamers "Cyphrenes," "Mikado," and "Macgregor," for which an offer has been made to the owners by wire, we undertake to perform the service for a period of six months at the rate of £4,000 per trip, each way, payable on advice of arrival of steamer at San Francisco, and return here, respectively.

2. That we undertake to despatch a steamer from this port every 28th day from 16th January next, and otherwise to comply with the time-table agreed upon, copy of which is annexed, with the exception that, in case of accident to ship or machinery, we are not to be bound to sail according to time-table from San Francisco.

3. As the "Macgregor" cannot arrive here in time to be despatched on the 16th January, we propose to commence the service with the steamship "City of Melbourne" on that date, and continue the same with the boats named in the time-table.

4. In the event of any of these boats being unable, from any cause whatever, to perform the work allotted to them, we will provide others of equal capacity, if procurable, or despatch steamers from our own fleet in lieu thereof.

5. The Company will perform the service with the boats named with the utmost despatch, but do not propose to be bound to time in performance of the voyages.

6. It is understood that the Government will concede to the Company the free use of the dock and machinery at Cockatoo, together with the usual privileges of port dues, &c., in this port and in New Zealand.

7. Should the steamers be detained at San Francisco, beyond the stipulated time, by the Government, it is agreed that they shall reimburse the Company the exact cost of such detention.

I have, &c.,

FRED. H. TROUTON.

The Hon. the Postmaster-General, Sydney.

Enclosure 2 in No. 86.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,

23rd December, 1874.

SIR,—

As it is very desirable, in the interests of the San Francisco mail line, that advertisements should run continuously in the Sydney, Melbourne, and Brisbane newspapers, I have the honor to ask your concurrence in inserting the advertisement of a vessel, "City of Melbourne," as it is apparent she will be the only available one to leave this port on the 16th January, so that there may be no break in the notification of the continuance of the service.

I have, &c.,

FRED. H. TROUTON.

The Hon. the Postmaster-General, Sydney.

Enclosure 3 in No. 86.

Mr. LAMBTON to the MANAGER, A.S.N. Co.

SIR,—

General Post Office, Sydney, 24th December, 1874.

In reply to your letter of yesterday's date, I am directed to inform you, that the Postmaster-General agrees to the terms and conditions therein proposed, with the following exceptions:—

1. That in lieu of the second condition proposed by you, the Company shall convey the mails under a time-table to be fixed by the Postmaster-General, the Postmaster-General agreeing, however, that any time-table he may fix shall not provide for a longer detention of the steamer than twelve days at San Francisco.

2. In lieu of the second condition proposed by you, that in the event of a longer detention than twelve days being on any occasion necessary by reason of the non-arrival of the English mails at San Francisco or otherwise, at the instance of the Postmaster-General, the Company shall be paid for such extra detention at the rate of £3,000 per lunar month.

With reference to these exceptions, the Postmaster-General directs me to state, that should any time-table be fixed by him, providing for a less stoppage at San Francisco than twelve days, he is willing to agree that the Company shall be at liberty, if they require it on any occasion, to remain the full period of twelve days.

With reference to the sixth condition proposed by you, Mr. Samuel is unable to answer for New Zealand in the matter of port dues, &c., but so far as this colony is concerned he agrees to the condition.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Manager, A.S.N. Co., Sydney.

Enclosure 4 in No. 86.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,
24th December, 1874.

SIR,—

I have had the honor to receive your letter of this day's date respecting a continuance of the San Francisco Mail Service under the modifications contained therein, and, in reply, beg to say that on behalf of the Company I agree to the same.

I have, &c.,

FRED. H. TROUTON.

The Hon. the Postmaster-General, Sydney.

Enclosure 5 in No. 86.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,
31st December, 1874.

SIR,—

Referring to my letter to you under date of 23rd instant, and your reply of 24th idem, I now do myself the honor to inform you that this Company has arranged with the owners of the steamships "Macgregor" and "Mikado" for a charter for a period of time to enable the Company to carry out the contract conditionally made for the San Francisco Mail Service, including the extension of the contract from six to seven months, as verbally arranged yesterday; and that if the owner of the "Cyphrenes" objects to a charter for one trip, the Company despatch either the "City of Adelaide" or "Wentworth" instead.

I have, &c.,

FRED. H. TROUTON.

The Hon. the Postmaster-General, Sydney.

Enclosure 6 in No. 86.

The MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,
2nd January, 1875.

SIR,—

The agent for owners of steamers "Cyphrenes," "Macgregor," and "Mikado," decline to charter those vessels to this Company, without we dock and clean them on completion of charters; and as the charters referred to will not expire till three or more days after the date of having fulfilled our engagement with your Government, in which it is agreed that the Company should have conditionally the use of the Fitzroy Dock, I beg to solicit your permission to have that privilege extended over the time necessary to perform this work.

I have, &c.,

FRED. H. TROUTON.

The Hon. the Postmaster-General, Sydney.

Enclosure 7 in No. 86.

Mr. LAMBTON to the MANAGER, A.S.N. Co.

General Post Office, Sydney, 4th January, 1875.

SIR,—

With reference to your letter dated the 2nd instant, I am directed to inform you that the Postmaster-General assents to the time allowed to your Company for the use of the Fitzroy Dock being extended, as requested, in order to enable the "Mikado," "Macgregor," and "Cyphrenes" to be docked and cleaned on completion of charter.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Manager, A.S.N. Company, Sydney.

No. 87.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 9th March, 1875.

I have to acknowledge the receipt of your letter of the 11th January last, in which you inform me that in pursuance of the agreement between the Postmaster-General of New South Wales and Mr. Thomas Russell, acting on behalf of the Government of New Zealand, arrangements had been made, after considerable difficulty in negotiation, with the Australasian Steam Navigation Company to continue the temporary San Francisco service until July next.

2. I have also to acknowledge your letter of the 6th ultimo, forwarding, for the information of the Postmaster-General of New Zealand, copies of the correspondence on the subject of the above arrangement, as referred to in your previous letter. I have to thank you for the copies of the correspondence in question, as well as for the memorandum which accompanied your letter of the 11th January ultimo.

3. On receipt of the agreement you will be further communicated with.

I have, &c.,

W. GRAY,

Secretary.

The Secretary, General Post Office, Sydney.

No. 88.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 25th February, 1875.

I am directed to enclose herewith, for the use of your department, twelve copies of the agreement entered into with the Australasian Steam Navigation Company, Sydney, on the 9th instant, for a seven months' temporary mail service *via* San Francisco.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington, N.Z.

Enclosure in No. 88.

(Agreement between the POSTMASTERS-GENERAL of the Colonies of New South Wales and New Zealand and the AUSTRALASIAN STEAM NAVIGATION COMPANY for seven voyages commencing in January, 1875.)

ARTICLES of AGREEMENT, made and entered into this ninth day of February, in the year of our Lord one thousand eight hundred and seventy-five, between the Australasian Steam Navigation Company (incorporated by Act of Parliament of New South Wales, passed in the fifteenth year of the reign of Her Majesty Queen Victoria), hereinafter designated and referred to as "The Company," of the first part,—the Honorable Saul Samuel, the Postmaster-General of the Colony of New South Wales, as such Postmaster-General, and acting herein for and on behalf of the Government of the said Colony, of the second part,—and the Honorable Julius Vogel, the Postmaster-General of the Colony of New Zealand, as such Postmaster-General, and acting for and on behalf of the Government of the same Colony, of the third part.

WITNESS that the Company hereby covenants with the said Postmaster-General of the Colony of New South Wales and his successors, and with the said Postmaster-General of the Colony of New Zealand and his successors, and as a separate covenant with each of the said Postmasters-General and his successors,—

1. That the Company shall and will carry and convey all and every Her Majesty's Mails, which the Postmaster-General of the Colony of New South Wales shall be desirous of sending from Sydney to Auckland, Honolulu, and San Francisco respectively; and all mails which the Postmaster at the Port of San Francisco shall be desirous of having conveyed to Honolulu, Auckland, and Sydney respectively, and the Postmaster at Honolulu shall be desirous of having conveyed to Auckland and Sydney respectively on the return voyage; and also all mails which the Postmaster-General of New Zealand shall be desirous of having conveyed from Auckland to Honolulu and San Francisco, and which the Postmaster at San Francisco and Honolulu shall desire to be conveyed to Auckland on the return voyage from San Francisco; and all mails from Auckland on the return voyage to Sydney, for seven voyages from Sydney to San Francisco by the way of and calling at Auckland and Honolulu; and for seven return voyages from San Francisco to Sydney by the way of and calling at Honolulu and Auckland, upon the days and times, and by the steamships, and in manner as hereinafter mentioned, and shall and will perform the said voyages within the times hereinafter mentioned, that is to say—the first voyage under this agreement having commenced by the departure of the steamship "City of Melbourne" on the sixteenth day of January last, with the month's mails, to Auckland, Honolulu, and San Francisco.

2. The Company shall and will have each and every of the steamships, the "Macgregor," the "Mikado," the "Cyphrenes," and the "City of Melbourne," properly furnished and provided with all engines, apparel, furniture, stores, tackle, boats, fuel, lamps, oil, and all other stores, charts, chronometers, nautical instruments, and whatever else may be requisite for the equipment of the said ships for a voyage from the Port of Sydney to the Port of Auckland, and thence to the Port of San Francisco, by way of and calling at Honolulu, and for a return voyage from the Port of San Francisco to the Port of Auckland, by way of and calling at Honolulu, and from Auckland aforesaid to the Port of Sydney aforesaid, and also manned and provided with a competent and duly qualified master and other officers, and with a sufficient number of engineers, and a sufficient crew of able seamen and other men, and prepared and ready in all things to leave their moorings in the Port of Sydney, and proceed on the voyage from the said Port to the Port of Auckland, and thence to the Port of San Francisco, by way of and calling at Honolulu, upon the days and times following, that is to say:—That one of such vessels, so approved, equipped, and manned as aforesaid, shall, during the continuance of this contract, leave the Port of Sydney every four weeks, according to a time-table to be fixed and agreed upon by the Postmaster-General of New South Wales, either solely or in conjunction with the Postmaster-General of New Zealand.

3. That one of the said steamships, the "Macgregor," the "Mikado," the "Cyphrenes," and the "City of Melbourne," so equipped and manned as aforesaid, shall receive and take on board at Sydney all and every Her Majesty's mails which the Postmaster-General of the Colony of New South Wales

shall, on the said several days appointed in and by the said time-table for the departure from the said Port of Sydney of the said several steamships, place on board the said steamships, to be conveyed from the Port of Sydney aforesaid to the several ports of Auckland, Honolulu, and San Francisco aforesaid, and shall proceed on her said voyage from the said Port of Sydney to Auckland, and thence to San Francisco, by way of and calling at Honolulu, at the day and at the hour appointed in the said time-table for the departure of a mailship upon the said voyage, and upon arrival at Auckland shall deliver the mails placed on board to be carried to Auckland to the Postmaster there, and shall receive and take on board at Auckland all and every Her Majesty's mails which the Postmaster-General of the Colony of New Zealand shall place on board to be carried and conveyed to Honolulu and San Francisco respectively, and that the master of each of the said steamships shall, on arrival at the Port of Auckland upon each and every of the said voyages, immediately land the mails intended to be landed there, and shall, with all possible despatch, upon receipt of the mails to be placed on board the said steamship at Auckland aforesaid, proceed on the voyage from Auckland aforesaid: Provided that it shall be lawful for the Postmaster-General of New Zealand to detain any of the said steamships for any time not exceeding twenty-four hours after notice of its arrival shall have been given to the Postmaster at Auckland, to enable him to make up and place on board the said steamship the mails intended to be carried and conveyed from Auckland aforesaid on the said voyage; and that each and every of the said steamships, upon arrival at the Port of Honolulu upon any of the said voyages, shall remain a sufficient and reasonable time to allow the mails intended to be conveyed thence to San Francisco to be made up and placed on board the said steamship, and shall receive and take on board at Honolulu all mails intended to be carried thence to San Francisco.

4. That, upon arrival at the Port of San Francisco, on her voyage from Sydney as aforesaid, each of the said steamships shall remain at the said port for such time as the said Postmaster-General of the said Colony of New South Wales shall have appointed in that behalf in and by the said time-table, not exceeding twelve clear days, and shall apply to the Postmaster at the Port of San Francisco, and shall receive from him, on board the said steamship, all mails required to be sent to the said Ports of Sydney, Honolulu, and Auckland, at any time before the day fixed by the said Postmaster-General of the Colony of New South Wales and the Postmaster-General of the Colony of New Zealand, in and by the said time-table, for the departure of each of the said steamships, on her return voyage by way of Honolulu to the Port of Auckland and Port of Sydney as aforesaid, and shall carry and convey in and on board the said steamship all the mails for Honolulu to Honolulu, and the mails for Auckland to Auckland, and all the mails for the Port of Sydney to the said Port of Sydney, and shall well and safely deliver the same to the Postmaster at each of the said ports, or to other the person by law entitled to receive the same, upon their arrival in the said respective ports: Provided that, if they shall think fit, it shall be lawful for the Company in case of need to keep any or all of the said steamers at the Port of San Francisco for the full period of twelve days, as hereinafter mentioned.

5. In the term "mails," to be carried on the said voyages as aforesaid, all boxes, bags, or parcels of letters, newspapers, books, or printed papers, and all other articles transmissible by the post, without regard to the place or places in which they may originate, and all empty bags, empty boxes, and other stores and articles used or to be used in connection with the said mails, shall be considered to be comprehended.

6. That the said steamships shall make each of the said voyages from the Port of Sydney to the Port of San Francisco with the utmost despatch, and as nearly as may be within seven hundred and ninety-two hours, including all stoppages and detention, and so that all mails put on board the said steamships at the respective Ports of Sydney, Auckland, and Honolulu aforesaid by the said several steamships, shall be delivered at the Post Office at the Port of San Francisco within as nearly as may be seven hundred and ninety-two hours, including detention and stoppage at Auckland and Honolulu, from the time of the said steamship's departure from the Port of Sydney on the said voyage; nevertheless, should such voyages be prosecuted with due diligence, payments will be made as hereinafter provided, notwithstanding the provision as to the voyages being made within a specified time; and shall make each and every of the said return voyages from San Francisco to the Port of Sydney aforesaid within as nearly as may be the like period of seven hundred and ninety-two hours, including detention and stoppage at Honolulu and Auckland, so that the mails put on board the said several steamships on their respective voyages from the Port of San Francisco, to be carried to the Port of Sydney, shall be carried and delivered at the General Post Office, in the City of Sydney, within seven hundred and ninety-two hours, including detention and stoppage at Honolulu and Auckland from the time of the said steamship's departure from the Port of San Francisco on the said voyages.

7. On each of the said voyages to San Francisco the Postmaster-General of the Colony of New South Wales will deliver the mails to be carried from the Port of Sydney; the Postmaster-General of the Colony of New Zealand, the mails to be carried from the Port of Auckland; and the Postmaster of Honolulu, the mails to be carried from Honolulu, into the charge and custody of the master of the steamship by which the said mails are to be conveyed on board his vessel; and the said master shall, without any charge other than that herein provided to be paid to the Company, take charge and care of, and the Company shall be responsible for the receipt, safe custody, and due delivery at the respective times at which they are intended to be delivered, of all and every the mails so placed on board of each of the said steamships as aforesaid, as the case may require. And the said master shall take the usual declaration required upon the delivery of a mail to the master of a vessel, and furnish such returns and perform such services in relation thereto as the Postmaster-General of the Colony of New South Wales shall require in respect of mails sent from or received at the Port of Sydney, and as the Postmaster-General of the Colony of New Zealand shall require in respect of mails sent from the Port of Auckland. And the master of each of the said steamships, immediately upon its arrival at the Ports of Auckland, Honolulu, and San Francisco respectively, upon any of the voyages aforesaid, shall deliver from the ship's side all the mails to be delivered at the said ports respectively to the postmaster of the said respective ports, or to such other person as each of them the said postmasters respectively shall in respect of the mails to be delivered to him duly authorize to receive the same. And in the like manner, upon each of the return voyages from San Francisco, calling at Honolulu and

Auckland as aforesaid, the master of each of the said steamships shall receive on board the said steamship from the postmaster at San Francisco, and take charge and custody of all mails required to be forwarded from San Francisco to the respective ports of Honolulu, Auckland, and Sydney, and shall receive and take on board at Honolulu all mails intended so to be sent from thence to the Ports of Auckland and Sydney respectively; and shall also receive and take on board at Auckland all mails intended to be sent from thence to the Port of Sydney; and shall safely carry and convey all and every the said mails to the several ports at which they are to be delivered; and shall, upon arrival at each of the said respective ports, immediately deliver from the ship's side to the postmaster, or other person authorized by him to receive the same, the mails intended to be delivered at such port; and shall duly make all declarations and sign all receipts for the mails as may be required by law, or by the custom of the place at which the same shall be put on board the said steamship, or delivered therefrom. And the Company shall be responsible for the receipt, safe custody, and carriage of all mails put on board each of the said steamships on each of the said return voyages from the Port of San Francisco to the Ports of Honolulu, Auckland, and Sydney, and for the due delivery at each of the said ports of the mails to be carried, and conveyed, and delivered at each of the said ports. The act of God, the Queen's enemies, pirates, fire, and all perils of the sea excepted.

8. If the Company are unable to despatch upon any of the said voyages any one of the said steamships, the "Macgregor," the "Mikado," the "Cyphrenes," or the "City of Melbourne," the Company shall instead despatch another steam vessel of equal capacity, if such a vessel can be procured by the Company on reasonable terms; and if such a vessel cannot be so procured, the Company may despatch one of their own steamships, the steam vessel so to be despatched to be approved of by the Postmaster-General of New South Wales in that behalf, in which event all and every these presents shall be read and considered as if the name of the steamship which may be substituted as aforesaid had been written in place of the vessel in place of which it is substituted: it being, however, hereby expressly declared that the foregoing proviso is not to be read or considered in any way as giving the Company the option of sending, at their own will and pleasure, any steamship in the place and stead of either of the said steamships, the "Macgregor," the "Mikado," the "Cyphrenes," or the "City of Melbourne," but only that the Company may do so if absolutely prevented from despatching any one of the said steamships, the "Macgregor," the "Mikado," the "Cyphrenes," or the "City of Melbourne," on any voyage upon which one of such steamships should have been despatched under the agreement, by causes over which the Company have no control.

9. And in consideration of the due and faithful performance by the Company of all the services hereby agreed to be by the said Company performed, the said Postmaster-General of the Colony of New South Wales, and the said Postmaster-General of the Colony of New Zealand, do, and each of them doth, for and on behalf of himself respectively, as such Postmaster-General and his successors respectively, and of the Government of the colony for which he is now respectively the Postmaster-General, but so far only as the agreements herein contained are to be observed by or are applicable to the Governments of the said colonies respectively, or as to payments to be made by the Government of the colony for which he is the Postmaster-General, doth hereby covenant with the Company that there shall be paid by the Postmaster-General of the Colony of New South Wales to the Company for the mail services to be rendered by the Company in carrying to and from the ports of departure and the ports of call before mentioned, on each and every of the said voyages from Sydney to San Francisco, and from San Francisco to Sydney, calling at the said intermediate ports as hereinbefore mentioned, the sum of £4,000 for each voyage, and that such payment shall be made as follows, that is to say,—For the voyage from Sydney, calling at Auckland and Honolulu, to San Francisco, upon proof of the due arrival of the vessel at San Francisco being received by the said Postmaster-General of New South Wales; and that the payment for the voyages from San Francisco to Auckland and Sydney, by way of Honolulu, shall be made upon the arrival of the said steamship at the Port of Sydney upon her return voyage from San Francisco, calling at Honolulu and Auckland as aforesaid.

10. If in the time-table to be fixed and determined by the Postmaster-General of New South Wales, as hereinbefore mentioned, the time for the mail steamer remaining at San Francisco shall be less than twelve days from the day of her arrival thereat, the Company shall be at liberty, if it is absolutely necessary, but not otherwise, to detain such steamer for a period of time equal to twelve days from the day at which the said steamship on that voyage to San Francisco should in accordance with the said time-table have arrived in the said Port of San Francisco.

11. If at any time during the continuance of this contract a mail steamer shall be detained at the Port of San Francisco by the Postmaster so acting for mails beyond the period of twelve days from the time of her arrival in the said Port of San Francisco, the Company shall be paid for such detention beyond the period of twelve days at and after the rate of £3,000 per lunar month.

12. That so long as this contract shall be faithfully carried out by the Company no charge for pilotage, tonnage, lighthouse, or harbour dues shall be made in New South Wales or New Zealand for any of the steam vessels employed in carrying out this contract. And the Company shall be at liberty to have the free use of the Fitzroy Dock and workshops and machinery at Cockatoo Island, at Sydney, if not otherwise occupied, for a period not to exceed five days, on the completion of each voyage from San Francisco to Sydney.

13. And it is hereby further declared that the payments hereby mentioned to be paid to the Company shall be received by the Company in full compensation for all services rendered by the Company in respect of the matters aforesaid, and for all costs and expenses which it may incur or be put unto by reason or on account of all and singular the services in and about the carrying out, or in any way arising out of or rendered in carrying out, the services hereby contracted to be performed, whether such services shall or shall not be herein particularly mentioned.

In witness whereof, the Australasian Steam Navigation Company has caused its common seal to be hereunto affixed, and the said Saul Samuel, as such Postmaster-General, on behalf of himself and his successors as Postmasters-General of the said colony, and of the Government of the said colony, and the said Julius Vogel, as such Postmaster-General of the Colony of New Zealand, and his successors as Postmasters-General of the Colony of New Zealand, and of the Government of the said

Colony of New Zealand, have respectively hereunto set their hands and seals, the day and year first before written.

No. 89.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 13th April, 1875.

I have the honor to acknowledge the receipt of your letter of the 25th of February last, forwarding twelve copies of the agreement entered into with the Australasian Steam Navigation Company for the performance of a seven months' temporary mail service between Sydney, Auckland, and San Francisco:

2. I have to inform you that the Postmaster-General of New South Wales has been communicated with on the subject of the agreement by the Acting Postmaster-General of this colony.

I have, &c.,

W. GRAY.

Secretary.

The Secretary, General Post Office, Sydney.

No. 90.

The Hon. W. H. REYNOLDS to the Hon. the POSTMASTER-GENERAL, Sydney.

SIR,—

General Post Office, Wellington, 7th April, 1875.

I have had submitted to me the letter forwarded from your Department on the 25th of February last, enclosing twelve copies of the contract entered into by the Hon. Saul Samuel, your predecessor in office, on behalf of the Governments of New South Wales and New Zealand, with the Australasian Steam Navigation Company, for a seven months' temporary mail service between Sydney, Auckland, and San Francisco.

2. On perusing the agreement, I perceive that no provision has been made for the accommodation of an officer of this department, or for the sorting of the mails on board the contract steamers, as was the case under the late contract with Messrs. Hall and Forbes. I cannot but regard this as an unintentional omission, for Mr. Russell, on his return from Sydney, informed this department that the arrangements providing for the accommodation of mail agents and the sorting of mails on board the steamers would be given effect to in any future agreement which might be made for carrying on the temporary service. I was, therefore, under the impression that in the agreement just entered into by your department provision would have been made for enabling this Government to send one of its officers by each steamer, for the purpose of dealing with the New Zealand mails on the voyage.

3. I need not point out to you how important it is that the mails to and from this colony by the San Francisco line of steamers should be dealt with on the voyage; and this applies more particularly with regard to the mails despatched from London. On the arrival of the mail steamer at Auckland from San Francisco, the mails for the Southern provinces require to be, and are, immediately transferred into coasting steamers for transmission to the capitals of the several provinces; and if the mails were not sorted prior to their receipt at Auckland, very great loss of time and public inconvenience would ensue from the fact that the whole of the mails must be dealt with in the Auckland Post Office before the portion for the Southern provinces could be despatched. It thus follows that unless the New Zealand mails can be sorted on board the contract steamers, as hitherto, serious inconvenience, as well as delay, will necessarily arise.

4. In drawing your attention to this matter, I have the honor to request that you may be good enough to so arrange with the contractors that this department may, for the future, have the power to despatch a mail agent by each contract steamer; and that the contractors may also be required to afford those officers the desired accommodation and assistance for the sorting of the mails.

5. I may add that an officer of this department proceeded by the "Mikado" in charge of the the mails from this colony. He was, however, informed by Captain Moore that he would be treated as an ordinary passenger, and that this Government would be debited with the cost of passage to and from San Francisco. I do not for a moment suppose that the contractors would adopt such a course, nor do I think that Captain Moore would refuse permission for the sorting of the mails being carried on as usual: still the department has no desire to be placed in the position of having its officers impeded in the discharge of their duties by any of the commanders of the Company's steamers through the inadvertence to insert in the contract the necessary provision required for the conveyance of a mail agent of this Government. I therefore trust that you will give this matter your early attention.

I have, &c.,

WILLIAM H. REYNOLDS.

The Hon. the Postmaster-General, Sydney.

No. 91.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 6th May, 1875.

I am directed by the Postmaster-General to acknowledge the receipt of your letter, dated the 7th ultimo, pointing out that no provision has been made, in the agreement with the Australasian Steam Navigation Company for the temporary service *via* San Francisco, for the accommodation of an officer of your department, or for the sorting of the mails on board the steamers.

In reply, I am to inform you that the matter was duly brought under the notice of the Company, as requested in your communication, and that an answer has been received, the enclosed copy of which is forwarded for the perusal of the Postmaster-General of New Zealand.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington.

No. 92.

Mr. PHILLIPS to the SECRETARY, General POTS Office, Sydney.

SIR,—

Australasian Steam Navigation Company, Sydney, 3rd May, 1875.

I have the honor to acknowledge receipt of your letter of the 27th ultimo, covering a communication from the Postal Department of New Zealand, respecting the passages of mail agents, and accommodation for sorting mails, in the San Francisco steamers, and, in reply, am directed to say that the Company are anxious to afford every facility to the New Zealand Government, but it forms no part of the agreement, nor was it even hinted at by the late Postmaster-General at the time of entering into the contract.

Had it been stipulated at the time that such provision should be made, it would have been necessary that the amount of the subsidy should have been correspondingly increased.

We are prepared to treat the mail agent's passages on the return ticket footing, which will be £72 for the passage to and from San Francisco each trip; and with regard to sorting the mails, if the New Zealand Department will be good enough to inform us what accommodation is required for the purpose, shall, no doubt, be able to give it in the larger vessels; but in such a vessel as the "City of Melbourne," where the accommodation is limited, fear that we should find it difficult to do so, unless we gave up two of the cabins, which would be a considerable loss to the Company, for which I have no doubt they will agree with me it is but fair that we should be reimbursed.

I have, &c.,

FRED. PHILLIPS,

Secretary.

The Secretary, General Post Office, Sydney.

No. 93.

Mr. RUSSELL to the Hon. Dr. POLLEN.

(Telegram.)

London, 18th June, 1875.

SAN FRANCISCO Service. Sydney Government responsible for delay. We now have satisfactory tenders, ninety thousand pounds. Your service B, second in printed conditions, sent you, under which all vessels to San Francisco sail from Port Chalmers, and vessels from San Francisco sail to Sydney, connecting at Fiji. We hope make contract in few days. Speed, eleven knots.

No. 94.

Sir D. COOPER and Mr. RUSSELL to the Hon. Dr. POLLEN.

(Telegram.)

London, 28th June, 1875.

MAIL contract signed. Contractors American Pacific Company, John Elder, of Glasgow, and Macgregor, of Leith, jointly and severally. Service B under printed conditions sent to you. Term, eight years, each colony paying half. Speed, eleven knots. Subsidy, £89,950. Service begins November next from Sydney and Port Chalmers, and continues thence every four weeks. Boats to San Francisco sail through from Port Chalmers, and boats from San Francisco sail through to Sydney, connecting at Fiji. Boat from Sydney to Fiji meets boat from San Francisco, and carries mails to New Zealand ports; this boat being next through boat from Port Chalmers to San Francisco, returning thence to Sydney, and so on. Elder supplies their two new ships, American Company three new ships, all upwards 2,800 tons, iron screw, great power. No doubt of ability of contractors. Contract forwarded outgoing mail; requires confirmation present session Parliament. Send New Zealand Government copy printed conditions bond and contract sent you, and this telegram. Cable agreement signed by Vogel, Cooper. Awaits seal of company to complete.

[This telegram, in the first instance, was transmitted to the Colonial Secretary of New South Wales, and forwarded thence to the Colonial Secretary of New Zealand.]

No. 95.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 28th June, 1875.

I am directed to inform you that, it having become necessary to arrange for the continuance of the temporary mail service *via* San Francisco, and Mr. Thomas Russell having intimated (by telegram through the representative of New South Wales in London) the willingness of the New Zealand Government to extend the present contract, the Postmaster-General of this colony communicated with the Australasian Steam Navigation Company as to the terms upon which they would agree to carry on the service.

It will be seen by the correspondence that took place, copy of which is enclosed, that negotiations were completed on the 18th instant for the service to be continued on the same terms as now exist, but with the following understanding, *viz.* :—

1. That no demurrage be claimed for any arrival at San Francisco before the period specified in the time-table.

2. That free passages (saloon) be provided for the New Zealand mail agents and sorting officers, and as satisfactory accommodation as possible furnished for sorting mails.

3. That the term of extension be for four round trips to and from San Francisco and Sydney *viâ* Auckland, commencing with the steamer to leave on the 31st of next month.

I am to state that, on the 19th instant, a telegram was received here from Mr. Russell in London to the following effect, viz. :—"Temporary service. Do not renew contract; wait few days; we can do better here;"—but that of course the action taken in the matter could not be interfered with.

I enclose herewith some copies of the time-table in connection with the extended service.

I have, &c.,

S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, Wellington.

No. 96.

Mr. LAMBTON to the MANAGER A.S.N. Co.

SIR,—

General Post Office, Sydney, 17th June, 1875.

I am directed by the Postmaster-General to inquire whether your Company is willing to continue the temporary mail service to and from San Francisco in terms of the present agreement, but with the distinct understanding that no demurrage be claimed for any arrival at San Francisco before the period specified in the time-table; that free passages (saloon) be provided for the New Zealand mail agents and sorting officers, and as satisfactory accommodation as possible furnished for sorting mails; and that the term of extension be for four trips to and from San Francisco *viâ* Auckland, commencing with the steamer to leave on the 31st July next.

I have, &c.,

S. H. LAMBTON,
Secretary.

The Manager, A.S.N. Co., Sydney.

No. 97.

The ASSISTANT MANAGER, A.S.N. Co., to the POSTMASTER-GENERAL, Sydney.

Australasian Steam Navigation Company, Sydney,

18th June, 1875.

SIR,—

I have the honor to acknowledge receipt of your letter of yesterday's date, on the subject of continuing the present San Francisco temporary mail service, and, in reply, beg to inform you that the Company agree to carry on the same for the period you name upon the same terms as exist at present, with the modifications suggested in your letter now under acknowledgment.

I have, &c.,

WM. WILLIAMS,
Assistant-Manager.

The Postmaster-General, Sydney.

No. 98.

Mr. DALGARNO to the MANAGER, A.S.N. Co.

SIR,—

General Post Office, Sydney, 18th June, 1875.

I am directed to acknowledge the receipt of your letter to-day, intimating that your Company agree to carry on the present temporary mail service *viâ* San Francisco, for four round trips, commencing on the 31st July next, on the same terms as now exist, with the understanding proposed in my communication of yesterday.

In reply, I am to inform you that the Postmaster-General accepts the offer of your Company in the matter.

I have, &c.,

JAMES DALGARNO,
(for Secretary).

The Manager, A.S.N. Co., Sydney.

No. 99.

The Hon. J. F. BURNS to the POSTMASTER-GENERAL, Wellington.

SIR,—

General Post Office, Sydney, 2nd July, 1875.

I have the honor to enclose copy of a telegram received on the 25th ultimo from Sir Daniel Vide No. 94. Cooper and Mr. Thomas Russell, on the subject of the San Francisco mail service, and a copy of the printed conditions of tender, as prepared in London, and transmitted to the Government of this colony by Sir D. Cooper and Mr. Russell.

2. Resolutions will be submitted to the Parliament of the colony, in a few days, with a view to the ratification of the new contract, as provided by the 43rd clause of the draft contract, which you will find appended to the conditions.

I have, &c.,

J. F. BURNS,
Postmaster-General.

The Hon. the Postmaster-General, Wellington.

No. 100.

Mr. GRAY to the SECRETARY, General Post Office, London.

SIR,— General Post Office, Wellington, 16th February, 1875.

With reference to your communication of the 22nd December, 1873, and to my reply of the 28th September last, I have been directed by the Postmaster-General to request that you will be good enough to cause this department to be furnished with a statement showing the amount which may be due this colony, in respect of the sums agreed to be paid on the correspondence exchanged between the United Kingdom and New Zealand, and forwarded by the mail services *viâ* San Francisco, *viâ* Southampton, and *viâ* Brindisi.

2. The amount which may be found to be due this colony should, if convenient, be remitted prior to the 30th June, in order that the postal revenue accounts for the financial year may be made up.

I have, &c.,

W. GRAY,

Secretary.

The Secretary, General Post Office, London.

No. 101.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,— General Post Office, Wellington, 9th March, 1875.

I have been directed by the Acting Postmaster-General to request you to be good enough to furnish this department, at your earliest convenience, with a statement showing the sums due our respective departments on the 28th ultimo by the non-contracting colonies on account of correspondence sent and received by the San Francisco line of steamers: the statement to show the total sums receivable from each colony, and the amount this department is considered to be entitled to receive.

2. It is desirable that a remittance for the amount which may be found to be due this colony should be made on an early date.

I have, &c.,

W. GRAY,

Secretary.

The Secretary, General Post Office, Sydney.

No. 102.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,— General Post Office, Wellington, 10th May, 1875.

I have the honor to acknowledge the receipt of your letter of the 10th ultimo, enclosing a statement showing the amounts due to New South Wales and New Zealand on the 28th February last by the non-contracting colonies on account of correspondence received and despatched by the San Francisco mail service.

2. With reference thereto, I have been directed by the Postmaster-General to request that the amount due to New Zealand may be remitted in time to be included in the accounts of this department for the financial year ending the 30th June next.

I have, &c.,

W. GRAY,

Secretary.

The Secretary, General Post Office, Sydney.

No. 103.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,— General Post Office, Sydney, 4th June, 1875.

With reference to your letter dated the 10th ultimo, respecting the amounts due to this colony and New Zealand by the non-contracting colonies on account of correspondence received and despatched by the San Francisco mail service, I am directed to forward you the enclosed statement, showing how the account in question stands up to the 31st March last; and to state that a similar copy has also been sent to the Treasury, with a request that the sum of £1,346, therein shown to be due to your colony, may be at once remitted.

It will of course be observed that the amounts for Adelaide and Perth respectively are only estimated, statements of the contents of their mails not having yet been received here.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington, N.Z.

Enclosure in No. 103.

STATEMENT showing the AMOUNTS DUE to NEW SOUTH WALES and NEW ZEALAND on the 31st March, 1875, by the Non-contracting Colonies, on account of Correspondence sent and received by the San Francisco Line of Mail Steamers.

| | | | £ | s. | d. | £ | s. | d. |
|---|-----|-----|-------|----|----|--------|----|----|
| Victoria: Quarter ended 31st March, 1874... | ... | ... | 220 | 2 | 9 | | | |
| " 30th June, 1874 ... | ... | ... | 335 | 3 | 8 | | | |
| " 30th September, 1874 ... | ... | ... | 519 | 3 | 10 | | | |
| " 31st December, 1874 ... | ... | ... | 368 | 12 | 0 | | | |
| " 31st March, 1875 ... | ... | ... | 402 | 7 | 11 | | | |
| | | | | | | 1,845 | 10 | 2 |
| Queensland " 31st March, 1874 ... | ... | ... | 69 | 4 | 10 | | | |
| " 30th June, 1874 ... | ... | ... | 108 | 7 | 0 | | | |
| " 30th September, 1874 ... | ... | ... | 209 | 0 | 6 | | | |
| " 31st December, 1874 ... | ... | ... | 118 | 17 | 4 | | | |
| " 31st March, 1875 ... | ... | ... | 114 | 12 | 4 | | | |
| | | | | | | 620 | 2 | 0 |
| Tasmania " 31st March, 1874 ... | ... | ... | 8 | 3 | 9 | | | |
| " 30th June, 1874 ... | ... | ... | 14 | 17 | 8 | | | |
| " 30th September, 1874 ... | ... | ... | 36 | 6 | 4 | | | |
| " 31st December, 1874 ... | ... | ... | 59 | 5 | 4 | | | |
| " 31st March, 1875 ... | ... | ... | 32 | 15 | 0 | | | |
| | | | | | | 151 | 8 | 1 |
| Adelaide returns incomplete, amount estimated * | ... | ... | | | | 50 | 0 | 0 |
| Perth returns incomplete, amount estimated * | ... | ... | | | | 25 | 0 | 0 |
| | | | | | | £2,692 | 0 | 3 |
| New South Wales one-half ... | ... | ... | 1,346 | 0 | 0 | | | |
| New Zealand one-half ... | ... | ... | 1,346 | 0 | 0 | | | |

CHARLES NIGHTINGALE,
Accountant.

General Post Office, Sydney, 3rd June, 1875.

* Estimated only.

No. 104.

Mr. W. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 22nd June, 1875.

I have the honor to acknowledge the receipt of your letter of the 4th instant, and beg to thank you for the remittance of £1,346 sterling, forwarded to the Colonial Treasurer of this colony, being the amount computed to be due to New Zealand in respect of the correspondence received and despatched by non-contributing colonies by the mail service *via* San Francisco.

I have, &c.,
W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

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