

## No. 40.

Messrs. OWEN and GRAHAM to the POSTMASTER-GENERAL, Wellington.

SIR,—

Auckland, 27th November, 1875.

We have the honor to acknowledge the receipt of your telegram complaining of a further breach of contract by the "Vasco de Gama" proceeding only as far as Kandavau. We presumed every information had been supplied from Sydney, and trust that it has not been considered uncourteous that full particulars were not wired by us immediately on her arrival.

While we deplore the unfortunate commencement of this service, we trust to show you the Contractors had a right to believe they were capable, and would have carried out their engagement this month, but for the very antagonistic action of the Australian Steam Navigation Company, who took forcible possession of the "Mikado," and refused the "Cyphrenes," placed at their disposal by Messrs. Gilchrist, Watt, and Co., although this steamer has been constantly employed by them, clearly showing they were actuated by a desire to cause trouble, and possibly a break-down in the despatch of the New Zealand mails.

The next arrangement was for the "Cyphrenes" to go to Auckland and meet the "Vasco de Gama" at Kandavau, and then return with the English mails to New Zealand, but no doubt, being already late, the speed of the "Vasco de Gama" induced the agents to send her here, and for the "Cyphrenes" to be through boat to San Francisco, believing that such a course of action would be most conducive to the proper working of the line; and we think we may be permitted to say it was the only course open to save the service from disrepute and constant annoyance to both Governments. Had a different course been pursued, and the "Vasco de Gama" proceeded through, we should have been in the same unenviable position every month until one of the steamers from England arrived.

While acknowledging a breach of contract, we trust you will credit the Contractors and the Sydney agents with the desire to fulfil their engagements; and we trust not only that the mails may arrive to their due date, but that everything is now in order, and that in future the line will be worked in such a manner as cannot fail to give every satisfaction.

We have, &c.,

The Hon. the Postmaster-General, Wellington.

OWEN AND GRAHAM.

## No. 41.

The POSTMASTER-GENERAL, Sydney, to the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Hokitika, 27th November, 1875.

SYDNEY, 20th November.—"Vasco" sailed at 7 p.m. yesterday, 19th instant. Suspect that, notwithstanding my correspondence with Hall, that she will proceed *via* Auckland. No New Zealand mails put on board, relying on assurance in Hall's letter of 18th that she would proceed according to the contract. "Cyphrenes" is advertised to leave for Kandavau direct, at 4 p.m. to-day.

I have, &c.,

Postmaster-General, Wellington.

POSTMASTER-GENERAL.

## No. 42.

Mr. LAMBTON to POSTMASTER-GENERAL, Wellington.

(Telegram.)

Hokitika, 27th November, 1875.

SYDNEY, November 20th.—On 13th, after my first refusal to sanction Hall's proposal to send the "Vasco de Gama" *via* Auckland, he repeated his request, stating the ship would be ready to proceed to sea on the date fixed by the time table, namely 19th, and would, if required by New South Wales Government, proceed *via* Kandavau in conformity with the contract, but asked Contract for that trip that ship might, without prejudice to contract, call at Auckland also. Said delay of New Zealand in reply ratifying contract cause of his not having boats ready to carry out service completely. I immediately replied Government could not sanction any departure from the contract. Gilchrist Watt next, on 16th, offered with Hall's concurrence, to send "Cyphrenes" special trip *via* Auckland to San Francisco, leaving "Vasco" and "Colima" to commence B service next month. On same day I declined this proposal. I wrote Hall on 17th requesting to be informed if he would be prepared to despatch an approved vessel this month with the mails this colony to Fiji and San Francisco in terms of the contract. On same day received a letter from Hall stating he would despatch "Vasco" to Kandavau *via* Auckland, and would rely upon Contractors being treated with fair consideration by Governments of both colonies. I replied on 18th I could not send the mails as under contract, and that if he should despatch the "Vasco" as he stated he intended doing, the mails could only be delivered to her as if she were a private vessel. On same day Hall wrote stating would be prepared to despatch "Vasco" at 6 p.m. 19th to Fiji and San Francisco. I accordingly issued notice for the first time of intention to despatch mails this month. On morning 19th I received a letter from Hall as follows:—