

2. The calling at Fiji has proved a serious disadvantage to the service, inasmuch as the meeting of three vessels in the Pacific Ocean at one point, many thousand miles distant from the three different points they have started from, cannot but be attended with an uncertainty fatal to a mail service even with the best equipped vessels in the world.

3. The navigation of the Fiji group is liable to great risk from low islands, coral reefs, and unknown currents; and as the Fiji Government have not placed lights on harbours and channels known to be dangerous, much delay is caused to the mail steamers by the necessity for their awaiting daylight to enter, or of making long detours to avoid such passages.

4. The Fiji Government contribute nothing to the service, nor are there any benefits attending the calling at Kandavau to compensate for the disadvantage and risks to life.

5. The avoidance of transshipment at Kandavau—a process under the present contract causing great discomfort in that tropical climate—will prove an immense convenience to passengers, in enabling them to retain their accommodation from their starting point to final destination; while it will result in establishing a large interchange of commodities between California and the colonies; but for which, under the present system of transshipment, the service is practically useless.

6. Although the distance by the direct route proposed is somewhat greater, the time occupied in the voyages from Sydney to San Francisco and *vice versa* would not be materially increased, as the above-stated causes of delay, at present existing, would be partially removed.

7. In proposing to refrain from conducting the coastal service of New Zealand, the Contractors are actuated by the knowledge that their large and magnificent ships are somewhat unfitted for coasting trade of the nature contemplated. This trade can be more safely and satisfactorily carried on by the fine local steamers New Zealand now possesses, commanded as they are by seamen thoroughly acquainted with the coast and the Contractors are undesirous of interfering with this trade.

8. The depth of water in some of the New Zealand ports is so limited, that it will be highly dangerous, and at times quite impossible, for the vessels we name, if fully loaded, to enter and leave.

9. The Bay of Islands is well situated as a port of call *en route*. It is free from all thick weather and outlying dangers, has a splendid climate and an excellent harbour, and will no doubt be connected with the rest of New Zealand and Australia by telegraph wire.

10. Owing to the interruption of cable communication with New York, we are unable to obtain such explicit instructions as will enable us at present to make any new contract, but we are aware that the Contractors are willing to make the change we propose; and we respectfully beg your favourable consideration of the application, as we are confident the direct route named will result in greater regularity as a mail service, and be attended with additional advantages to the travellers and the commerce of the colonies.

11. We have addressed to our Postmaster-General a similar proposal to the foregoing.

We have, &c.,

GILCHRIST, WATT, AND Co.,

General Agents for the Contractors, San Francisco Mail Service.

The Hon. the Postmaster-General, Wellington.

No. 21.

Sir JULIUS VOGEL to the POSTMASTER-GENERAL, Sydney.

(Telegram.)

3rd July, 1876.

THE Government will be much indebted if to-day or to-morrow you will let them know your views about changes Californian Service. Have no reply to repeated requests same kind. The captains say service will not be continued as at present, and that Contractors will throw up. If you wish such result let us know. People here would not much regret, they are so tired of irregularities. If you wish it to proceed, surely better state your views. We propose to move for Select Committee to report upon changes, if any desirable. If we know your views shall soon be able to say if we are willing or not to meet them. At present, service is continued source of annoyance.

Postmaster-General, Sydney.

JULIUS VOGEL.

No. 22.

The Hon. Sir JULIUS VOGEL to MESSRS. GILCHRIST, WATT, and Co., Sydney.

GENTLEMEN,—

General Post Office, Wellington, 5th July, 1876.

I have the honor to acknowledge the receipt of your letter of the 29th of May last, in which you make application, on behalf of the Pacific Mail Steamship Company, that the route adopted under the existing contract, and known as the B Service, be changed to a direct route from Sydney to the Bay of Islands, Honolulu, San Francisco, and *vice versa*—the New Zealand Coastal Service to form no part of the proposed new service.