

2. I must point out that you have not afforded any information as to the probable reduction of subsidy the Contractors would be willing to accept in the event of the proposed amended service being adopted. Were it adopted, it would involve the use of one boat less than required to carry out the C Service, which service the Pacific Mail Steamship Company agreed to perform for £74,950 per annum, so that you should name a much less sum than that amount.

3. A Select Committee of the House of Representatives has been appointed to consider the question of whether or not any modification of the present service should be accepted. You must not consider that I have expressed an opinion concerning your proposal. I have desired to point out that unallied with the question of cost, it is hardly placed before me in a manner that would admit of its consideration.

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

I have, &c.,  
JULIUS VOGEL.

### No. 23.

The POSTMASTER-GENERAL, Sydney, to the Hon. Sir J. VOGEL.

(Telegram.)

4th July, 1876.

AFTER consulting Cooper, propose following settlement outstanding claim Pacific Company:—  
"Vasco" outwards, November, pay two-thirds—namely, one thousand and nineteen pounds,  
"Colima" inwards, December. Decline paying anything "City of San Francisco" inwards.  
If any, pay full subsidy as concession. Of course she brought no mails, but came under contract, and did voyage within contract time. You propose only to pay half, but irregularity was greater as regards your colony, as no provision was made for your coast service. Do you concur?

Hon. Sir J. Vogel, Wellington.

POSTMASTER-GENERAL.

### No. 24.

The Hon. Sir J. VOGEL to the POSTMASTER-GENERAL, Sydney.

(Telegram.)

6th July, 1876.

Re Subsidies.—We long since advised you amounts we thought desirable to pay. Having received no comment from you, thought question settled; nor do we think desirable for ourselves to reopen. Can have no objection your making more liberal payments you propose. You justly say we have suffered much more from irregularities than you. Therefore, perhaps, fair you should make larger payments than we propose. May I again remind you of inconvenience occasioned by not receiving replies to telegrams. Much obliged by your replying those lately sent.

Postmaster-General, Sydney.

JULIUS VOGEL.

### No. 25.

The Hon. Sir JULIUS VOGEL, to the POSTMASTER-GENERAL, Sydney.

(Telegram.)

8th July, 1876.

We have appointed Select Committee to inquire what alterations or modifications, if any, it is desirable should be made in Californian contract. Suggest that similar Committee your House might enable us come to understanding.

Postmaster-General, Sydney.

JULIUS VOGEL.

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1876.