1876. NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE,

(FURTHER PAPERS RELATIVE TO).

(In continuation of Papers presented on the 13th October, 1876.

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

The Hon. the Colonial Secretary, Sydney, to the Hon. the Colonial Secretary, Wellington.

(Telegram.)

Sydney, 13th October, 1876.

If you wish our co-operation, you had better seek alternative permission. Auckland, twelve hours longer, most objectionable.

The Hon. the Colonial Secretary, Wellington.

COLONIAL SECRETARY, Sydney.

No. 2.

The Hon. F. WHITAKER to the Hon. the COLONIAL SECRETARY, Sydney.

(Telegram.)

Wellington, 14th October, 1876.

The question of modifying existing San Francisco Service discussed in House of Representatives last night. Appended resolution carried by large majority. It will be observed that it has been left to the contractors to determine port of call. Presume this will meet objections your Government. The modified service must be a four-weekly one, as there are fatal objections to calendar monthly trips. Hope the resolutions may be acceptable your Government and contractors, and that question be now settled without further delay. Government regret being unable to obtain parliamentary sanction at an earlier period. Will you please furnish Gilchrist with copy this telegram. The following are the resolution:—

"That, in the event of the contractors for the San Francisco Mail Service being desirous of modifying the conditions of their contract, and in the event of the Government of New South Wales deeming it expedient that the contract should be modified, this House would consent to such modification on the following terms:—

"(1.) That the service be direct from San Francisco to Sydney, calling at Honolulu and at Auckland, or at the Bay of Islands, at the option of the contractors.

"(2.) That the Coastal Service be performed by the Company by ten-knot boats, to be approved of by the Government.

"(3.) That the share of New Zealand contribution to the subsidy be reduced by £7,500 if calling at Auckland, or £10,000 if calling at the Bay of Islands."

FREDK. WHITAKER.

The Hon. the Colonial Secretary, Sydney.

No. 3.

The Hon. F. WHITAKER to Messrs. GILCHIRST, WATT, and Co., Sydney.

(Telegram.) Wellington, 14th October, 1876.

Decision arrived at last night by House of Representatives on Pacific Mail Company's proposal to modify the San Francisco Service. The resolutions of the House have been telegraphed Colonial Secretary, and I have requested him to furnish you with copy of my telegram.

FRED. WHITAKER,

Postmaster-General.

No. 4.

The Hon. Dr. Pollen to the Hon. the Colonial Secretary, Sydney.

SIR,— Colonial Secretary's Office, Wellington, 14th October, 1876.

With reference to previous communications relating to the proposed modifications of the route for the San Francisco Mail Service, I have the honor to inform you that the question having been brought under the consideration of the House of Representatives of this colony, the House has agreed

to the following resolution (vide No. 2):—
2. I have by this mail communicated a copy of this resolution to the Agents in Sydney of the Pacific Mail Company, informing them that, subject to the concurrence of the Government of New South Wales, this Government would be prepared to agree to a modification of the contract on the

terms stated in the resolution.

3. You will perceive that, in deference to the views of your Government, an alternative authority has been obtained to make the Bay of Islands the New Zealand port of call; it has, however, been impossible to do this without stipulating for some pecuniary concession to meet the extra expenditure which would thereby be entailed upon the Government. The abandonment of Auckland would save so little time in the voyage to Sydney, while it would be so inconvenient to New Zealand, and in all probability be disadvantageous to the Company, that I trust, upon reconsideration, your Government may not think it necessary to insist upon this condition.

4. I shall be glad to receive, at your early convenience, any information which you may be able to

communicate on the subject of this service.

5. My colleague, the Postmaster-General, transmitted to you by telegraph this morning a copy of the above resolution, requesting you to be good enough to communicate a copy of the same to Messrs. Gilchrist, Watt, and Co.

6. I enclose a copy of that telegram.

The Hon. the Colonial Secretary, New South Wales.

I have, &c., DANIEL POLLEN.

No. 5.

The Hon. F. WHITAKER to Messrs. GILCHRIST, WATT, and Co.

General Post Office, Wellington, 14th October, 1876.

With reference to your letter of the 29th ultimo, and to various telegrams respecting a proposed modification in the route for the San Francisco Mail Service, I have the honor to inform you that the subject has been brought under the consideration of the House of Representatives of this

colony, and that the House yesterday agreed to the following resolution (vide No. 2).

2. I shall feel obliged if you will communicate this resolution to the Pacific Mail Company, and inform them that, subject to the concurrence of the Government of New South Wales, this Government will be prepared to agree to a modification of the contract on the terms stated in the above

resolution.

3. I forwarded this morning a copy of the resolution by telegraph to the Hon. the Colonial Secretary, Sydney, requesting him to communicate to you a copy of the same.

I have, &c.,

FRED. WHITAKER, Postmaster-General.

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

No. 6.

The Hon. Dr. Pollen to the Hon. the Colonial Secretary, Sydney.

(Telegram.) Wellington, 17th October, 1876. HAS Gilchrist power to negotiate modification? If not, as Vogel goes to England via New York, we propose he should negotiate with Pacific Company to make a formal offer for approval of two Governments, but without binding either, on the basis of New Zealand resolutions. Do you agree? DANIEL POLLEN.

The Hon. the Colonial Secretary, Sydney.

No. 7.

The Hon. the Colonial Secretary, Sydney, to the Hon. the Colonial Secretary, Wellington. Sydney, 17th October, 1876.

In answer to your telegram of this date, Gilchrist has authority to negotiate.

The Hon. the Colonial Secretary, Wellington.

COLONIAL SECRETARY, Sydney.

No. 8.

The Hon. the Colonial Secretary, Sydney, to the Hon. the Colonial Secretary, Wellington. 17th October, 1876.

Your parliamentary conditions, as communicated to us on the fourteenth instant, would render continuance of service by Pacific Company impossible. The Company have telegraphed Gilchrist that they will forfeit penalty, and withdraw entirely, rather than run your Coastal Service, or undertake any

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responsibility in connection with it again. This colony will not be content with longer postal time without sharing in savings on subsidy, which, by your proposal, you claim entirely. Nor is it clear that there would be ten thousand pounds saving; for if the Company were to run Coastal Service, the reduction from present subsidy would be small. The only principle likely to be approved by our Parliament is, that whatever saving be effected should be shared equally by both colonies. We recommend reconsideration, and that the two colonies offer to the Company seventy-five thousand pounds, Frisco, Honolulu, Bay of Islands, Sydney, thirteen trips a year. Separate tender for the Coastal Service to be called and jointly approved. The cost thereof to be joint and equal between our respective Governments. The whole to be subject to the approval of Parliament. Meantime the service might be performed by proposed new route.

The Hon. the Colonial Secretary, Wellington.

COLONIAL SECRETARY, Sydney.

No. 9.

The Hon. Dr. Pollen to the Hon. the Colonial Secretary, Sydney.

(Telegram.) Wellington, 18th October, 1876. WE did not propose to take all savings effected by alteration of contract, but to divide them with you. Our proposal was to take originally proposed C Service for seventy-five thousand, and therefore limited our payment to one-half—namely, thirty-seven thousand five hundred. We think that Company should make some deduction from £75,000, their former offer, in consideration of being relieved from our Coastal service. Will they do this, or are we to consider present proposal final, and ask Parliament to say Yes or No. Hope you will assent to Auckland instead of Bay, as it will be great convenience to us in distribution of mails to places not provided for by arrangement with you, and will cost much less.

The Hon. the Colonial Secretary, Sydney.

Daniel Pollen.

No. 10.

The Hon. Dr. Pollen to the Hon. the Colonial Secretary, Sydney.

Wellington, 18th October, 1876. (Telegram.) HAVE made careful inquiries as to the cost of distributing mails; probable cost from Auckland, viâ West Coast, about five thousand; from Bay more than double, as East Coast of New Zealand has no ports between Auckland and Wellington suitable for mail steamers, and most of traffic on West Coast. As you will get whole benefit of terminus, we think you should not insist on additional expense and inconvenience for the sake of twelve hours at most.

DANIEL POLLEN.

The Hon. the Colonial Secretary, Sydney.

No. 11.

The Hon. the Colonial Secretary, Sydney, to the Hon. the Colonial Secretary, Wellington.

Sydney, 20th October, 1876. (Telegram.) WITH reference to your first telegram of the 18th instant, we are with you that the saving on any new arrangement for the Pacific Mail Service shall be equally divided between our respective colonies. You say in effect, in your second telegram of same date, that while five thousand pounds would be sufficient for your coastal service if the mails be landed at Auckland, it would require more than ten thousand pounds if they were delivered at Bay of Islands. We are unable to understand why you cannot arrange for the mails being carried from Bay of Islands to Auckland, which would place them in the nesition which you seem to desire which we believe could be done for an annual subsidy of one thousand position which you seem to desire, which we believe could be done for an annual subsidy of one thousand pounds. You are already aware that the contractors will rather forfeit penalty than do Coastal Service. Pending our negotiation Pacific Mail Service, Gilchrist asks permission, in accordance with the concluding paragraph of our telegram of the 17th instant, to perform service by way of Honolulu, Bay of Islands, and Sydney. Do you consent? Reply promptly, as Gilchrist urgently desires to send instructions to Fiji by telegraphing to "Australia," leaving Auckland to-morrow.

COLONIAL SECRETARY, Sydney.

The Hon. the Colonial Secretary, Wellington.