

your letter now under reply, with the exception of that which relates to the assignment of contract. As regards this, the Government cannot agree to any alteration of the terms as embodied in clause 54 of the printed conditions. This clause provides that, in the event of its being found necessary for the Company to avail itself of the assistance of others to fulfil the contract, an assignment of the same or any part thereof may be made with the consent of the Government.

Should such contingency arise, it will no doubt be fairly dealt with. As it is, should the tender by the New Zealand Shipping Company be taken up, the Government cannot recognize, even by implication, any others as principals in the transaction. It matters little whose ships are employed, but the Government must look to the Contractors as being primarily responsible for the due fulfilment of the letter and spirit of the contract. Further, I may frankly say that one of the considerations which induced the Government to enter into the contract with the New Zealand Company was that the principals, being located in the colony, they may be readily dealt with in the event of disputes arising.

As regards the period over which the contract shall extend, there are no objections to its being for two years from the date of execution: Provided that it may be terminated at six months' notice in the event of arrangements being entered into whereby immigrants may be brought out by direct steam line.

The proposed alterations as hereinbefore set forth will be handed to the Crown Law Officer, with a view to the conditions of contract being reframed accordingly, should you so desire it.

I have only further to say that one of the proposed modifications of the contract, which it affords me much pleasure to accede to, is that which will enable the Contractors to feed the immigrants with food the produce of New Zealand, a modification which I trust may be taken advantage of to the fullest extent.

H. Selwyn Smith, Esq., General Manager,
New Zealand Shipping Company, Wellington.

I have, &c.,
J. MACANDREW.

Enclosure 3 in No. 14.

The GENERAL MANAGER, New Zealand Shipping Company, to the Hon. J. MACANDREW.

The New Zealand Shipping Company (Limited), Wellington,
24th April, 1878.

SIR,—

I have now the honor formally to acknowledge receipt of your letter of the 5th April, annexing an extract from your despatch to the Agent-General, instructing him that the Government had decided on accepting the tender of this Company for the conveyance of all emigrants from the United Kingdom to the colony, save and except the Clyde emigrants for Otago, and also for the carriage of all Government cargo.

I have also to refer to the interviews with which you were good enough to honor me on the 20th, 23rd, and this day, and to my letter of the 20th, suggesting certain modifications and alterations in the conditions of the contract; and, finally, I have to own receipt of and thank you for your letter of the 23rd instant, accepting our tender with the modifications subsequently sought.

I beg to assure you that it will be the anxious desire of this Company in every fair way to meet the views and wishes of the Government, and to this effect our London manager is instructed by the outgoing mail.

Everything shall be done to insure the safety and comfort of the emigrants on the voyage. Our vessels, as you know, are of a very high class, built and adapted expressly for the conveyance of emigrants from Home. Our masters and officers are all men of good standing and judgment and discretion; and, thoroughly appreciating one of the reasons which have influenced you to accept our tender, I am charged by my directors to say that they are determined to maintain the prestige of the Company, and by an honorable and liberal construction of its obligations to make the New Zealand Shipping Company an institution worthy of this great colony in which it was founded and by the residents of which it is entirely owned.

The Hon. James Macandrew,
Minister for Immigration, &c.

I have, &c.,
H. SELWYN SMITH,
General Manager.

No. 15.

The Hon. the MINISTER for IMMIGRATION to the AGENT-GENERAL.

SIR,—

Immigration Office, Wellington, N.Z., 26th April, 1878.

There is one very important fact which I omitted to notice in my letter to you relative to a direct steam line to New Zealand, which is, that the colony is now being circumnavigated with the utmost regularity and safety by a number of first-class steam vessels, so that travellers visiting New Zealand have no difficulty in moving about from one part of the colony to another by sea.

There are also regular steamers betwixt New Zealand and the Australian Colonies. These are considerations which should have some weight with those who may feel disposed to entertain the proposal of a direct steam line from Europe.

The Agent-General for New Zealand, London.

I have, &c.,
J. MACANDREW.