

1879.
NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE

(PAPERS RELATIVE TO).

(In further continuation of Papers presented on the 9th August, 1878.)

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

No. 1.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—
Sydney, 14th August, 1878.
With reference to your letter of the 20th ultimo, in connection with the modification of the Pacific Mail Steamship Company's contract for the conveyance of mails between Sydney and San Francisco, I am directed to inform you that a communication has been addressed to the Colonial Secretary's Office here, requesting that instructions may be sent by the next out-going mail to the Agent-General of this colony, to co-operate with the Agent-General of New Zealand in having the new contract agreement prepared in London, and also in the matter of obtaining another surety in place of Mr. Macgregor.

I have, &c.,
S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, Wellington.

No. 2.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—
General Post Office, Wellington, 9th September, 1878.
I have the honor to acknowledge the receipt of your letter of the 14th ultimo, in which you state that a communication had been addressed to the Colonial Secretary's Office requesting that the Agent-General for your colony might be instructed to co-operate with the Agent-General for New Zealand in the matter of the new contract for the San Francisco mail service, and also as to obtaining another surety in the place of Mr. Macgregor.

In reply, I beg to inform you that corresponding instructions will be forwarded to the Agent-General for this colony by first mail.

I have, &c.
W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

No. 3.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—
7, Westminster Chambers, Victoria Street, London, S.W., 2nd July, 1878.
I have the honor to acknowledge the receipt by Brindisi mail, on 1st instant, of your letter of 4th May, enclosing for my information copy of a telegram you had despatched notifying the approval of the New South Wales Parliament of the modified San Francisco Mail Contract.
I note your intention of further advising me on the subject.

I have, &c.,
JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

No. 4.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—
7, Westminster Chambers, Victoria Street, London, S.W., 16th July, 1878.
In continuation of my letter of 31st January,* and adverting to the correspondence with the

* Vide F. 4, 1878, No. 69.

Pacific Mail Steamship Company therein enclosed, I have the honor to forward copy of a letter I have received from the solicitors to the Government.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

JULIUS VOGEL,
Agent-General.

Enclosure in No. 4.

Messrs. MACKRELL and Co. to the AGENT-GENERAL.

21, Cannon Street, London, E.C., 13th July, 1878.

DEAR SIR JULIUS,—

New Postal Contracts.

You will remember that the arrangement made with the contractors by the instrument of the 24th December, 1877, for the alteration of the mail service, has relation only to voyages carried out or commenced within this year. We learn from the Agent-General for New South Wales that he has been advised that his Parliament has sanctioned the variation in the contract. This we assume to mean not merely for this year, but during the whole term of the original contract.

Remembering the length of time occupied in getting the last arrangement concluded with the Pacific Mail Steamship Company and their sureties, and the difficulty which the Government might be placed in if any variation of the contract after this year is not provided for within this year, we suggest for your consideration the desirability of your drawing the attention of your Government to the matter, and recommending them to get any new arrangement which it is desired to make for the future concluded before this year is up.

We have, &c.,

The Agent-General for New Zealand, London.

JOHN MACKRELL AND Co.

No. 5.

Mr. GRAY to the AGENT-GENERAL.

General Post Office, Wellington, 11th October, 1878.

SIR,—

I have the honor to acknowledge the receipt of your communication of the 16th July last, forwarding copy of a letter which you had received from the solicitors to the Government, Messrs. John Mackrell and Co., suggesting that early action should be taken with regard to effecting the execution of the necessary legal instruments regulating the further temporary or the permanent modification of the San Francisco Mail Service, in order that, if possible, any new arrangement which it is desired to make might be concluded before the end of the present year.

I have, &c.,

The Agent-General for New Zealand,
London.

W. GRAY,
(for the Postmaster-General.)

No. 6.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

7, Westminster Chambers, Victoria Street, London, S.W.,

SIR,—

11th September, 1878.

I have the honor to acknowledge the receipt of your letter of 20th July, covering copy of a memorandum agreed to by the Hon. the Postmaster-General of New South Wales, respecting the San Francisco Mail Service.

In reply, I have to inform you that your instructions in the matter shall have my careful attention.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

JULIUS VOGEL,
Agent-General.

No. 7.

The Hon. J. F. BURNS to the Hon. Mr. FISHER.

(Telegram.)

Sydney, 26th October, 1878.

SINCE receiving your last telegram have referred to Vogel's letter, December, 1876, not 1874, as stated in London telegram, and I propose sending following reply to Forster and Vogel—namely: Concur, not necessary specify in contract more than four boats. If Company object to spare boat Sydney, fear cannot insist as no such stipulation made at time negotiations modification, but will leave matter in your hands to make best possible terms with Contractors. New Zealand concurs.

The Hon. J. T. Fisher, Wellington.

J. F. BURNS.

No. 8.

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

(Telegram.)

Sydney, 2nd November, 1878.

WAITING reply from you to my telegram twenty-sixth ultimo, before sending telegram Agents-General re modification contract.

The Hon. the Postmaster-General, Wellington.

POSTMASTER-GENERAL.

No. 9.

The Hon. J. T. FISHER to the Hon. J. F. BURNS.

Wellington, 4th November, 1878.

(Telegram.)
 AGREE as to telegram you propose send Agents-General *re* modified contract.
 Hon. J. F. Burns, Sydney.

J. T. FISHER.

No. 10.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

7, Westminster Chambers, Victoria Street, London, S.W.,

10th October, 1878.

SIR,—

I have the honor to forward to you the subjoined copy of a telegram sent by Mr. Forster to his Government at Sydney, after its terms were agreed upon between us and Mr. Mackrell.

We have engaged Mr. Mackrell to prepare the new contract. It is important it should be settled and signed by the end of the year, as the surety's consent to the present modified service only lasts till then.

It is inexpedient, therefore, to do anything to occasion delay, and this would be the result of proposing anything in the contract we know the Company could not agree to. It is unreasonable to ask the Company to provide five steamers, as three, and one spare one, are sufficient, and all it was intended they should employ under the modified service. But I think we should be firm on the point of the spare boat being stationed at Sydney. You will see my opinion on this subject* of 14th December, 1876, referred to in telegram.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington, New Zealand.

Enclosure in No. 10.

MESSRS. MACKRELL and Co. to the AGENT-GENERAL.

21, Cannon Street, London, E.C., 5th October, 1878.

DEAR SIR JULIUS,—

Varied Postal Contract.

We send enclosed, as arranged, the draft of the telegram which we suggest you should send out to your Government, and to the Government of New South Wales, for further instructions.

We have, &c.,

The Agent-General for New Zealand, London.

JOHN MACKRELL AND Co.

Sub-Enclosure to Enclosure in No. 10.

DRAFT of TELEGRAM for the NEW SOUTH WALES and NEW ZEALAND GOVERNMENTS.

Frisco Service.

WE are persuaded Company will not consent to five boats, and, as new contract should be completed this year, not desirable to submit in contract more than four. Company will also object to spare boat at Sydney (*see* Vogel's letter, 14th December, 1876); but we think on this point Governments should insist. Communicate New Zealand, and instruct us.

No 11.

The Hon. J. BALLANCE to the AGENT-GENERAL.

General Post Office, Wellington, 7th December, 1878.

SIR,—

I have the honor to acknowledge the receipt of your communication of the 10th October last, enclosing copy of a telegram sent by the Agent-General of New South Wales to his Government at Sydney, relative to the question of the number of boats to be stipulated for in the new contract, as to be maintained by the Pacific Mail Steamship Company in the San Francisco Mail Service, the terms of the telegram having been agreed upon by Mr. Forster, Mr. Mackrell, and yourself.

I now beg to forward, for your information, copies of the several telegrams† which have been exchanged on this subject between London, Sydney, and Wellington, and which will show the feelings and decision of the Governments of both colonies in the matter of the number of boats to be employed, and also as to the spare boat.

In view of possible difficulties arising with the Contractors in the event of the spare boat at Sydney being insisted on, and which might have had the effect of prolonging injuriously the settlement of the new contract, both Governments agreed to leave the matter in the hands of their respective Agents-General to make the best possible arrangements; and I trust that, ere the close of the present year, you may have succeeded in completing all negotiations and procuring execution of the new contract.

I have, &c.,

J. BALLANCE.

The Agent-General for New Zealand, London.

* *Vide* F.—4, 1877, No. 127.† *Vide* F.—4A., 1878, Nos. 5 to 8.

No. 12.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

7, Westminster Chambers, Victoria Street, London, S.W.,
6th November, 1878.

SIR,—

In continuation of my letter of the 10th ultimo, I have the honor to enclose you a copy of further telegram which, after consultation with Mr. Mackrell, the Agent-General for New South Wales and I decided to send on the 30th ultimo, in consequence of our having received no reply to our former telegram of the 8th ultimo on the subject of the mail contract, the preparation of which is delayed pending a reply.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 12.

The AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND to the Hon. the COLONIAL SECRETARY, Sydney.

(Telegram.)

London, 30th October, 1878.

MAIL contract delayed, pending reply to our telegram eighth.

W. FORSTER.

J. VOGEL.

The Hon. the Colonial Secretary, Sydney.

No. 13.

The Hon. J. T. FISHER to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 2nd January, 1879.

I have the honor to acknowledge receipt of your letter of the 6th November last, enclosing a copy of a telegram, which, after consultation with Mr. Mackrell, the Agent-General for New South Wales and yourself had dispatched to Sydney on the 30th October last, relative to the execution of the new contract.

I have, &c.,

J. T. FISHER.

The Agent-General for New Zealand, London.

No. 14.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

7, Westminster Chambers, Victoria Street, London, S.W.,
4th December, 1878.

SIR,—

I have the honor to enclose for your information copy of a telegram* received from New South Wales, addressed to Mr. Forster and myself, advising the concurrence of New Zealand as to the number of boats necessary for the mail service under the proposed contract.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

No. 15.

The SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 5th March, 1879.

FOLLOWING is a copy of telegram received from Forster and Vogel:—"Pacific Company accepted modified contract, but cannot furnish other security than Elder, to which we agreed 29th January. Impossible compel another surety. Elders' firm consents, but will not give bond until they make new agreement with Company. This may involve delay. Shall we execute contract and wait for bond, or delay contract until bondsmen ready. Consult New Zealand." Postmaster-General is of opinion contract should be executed without further delay, leaving Agents-General to act as they deem best with regard to bond.

The Secretary, General Post Office, Wellington.

SECRETARY,
General Post Office, Sydney.

No. 16.

The Hon. J. T. FISHER to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 6th March, 1879.

Re Agents-General telegram concerning bondsmen Frisco contract.—I presume the delay in getting Elder's signature cannot be long, therefore there is no need of hurry in signing contract, but, if signed, it should only be on the understanding that contract shall be void if bond not signed by surety within some short limited period. Would suggest that reply of this nature be sent Agents-General.

J. T. FISHER,

Postmaster-General.

The Hon. the Postmaster-General, Sydney.

No. 17.

The Hon. SAUL SAMUEL to the Hon. the Postmaster-General, Wellington.

(Telegram.)

Sydney, 7th March, 1879.

I AM of opinion Agents-General would not have incurred expenses of telegram if they did not believe some delay would occur in getting bond executed. Still think we should urge signing of contract at once, adding, if Agents think it necessary, stipulation you propose as to bond. If you concur, will cable accordingly.

SAUL SAMUEL,
Postmaster-General.

The Hon. the Postmaster-General, Wellington.

No. 18.

The Hon. J. T. FISHER to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 8th March, 1879.

Do not object to contract being at once signed, but with the proviso suggested in my telegram of 6th.

J. T. FISHER,
Postmaster-General.

The Hon. the Postmaster-General, Sydney.

No. 19.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

7, Westminster Chambers, Victoria Street, London, S.W.,

23rd January, 1879.

SIR,—

I have the honor to acknowledge the receipt of your letter of 7th December,* relating to the decision of the Governments of New South Wales and New Zealand as regards the number of boats to be stipulated for in the new mail contract.

I have, &c.,
JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

No. 20.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

7, Westminster Chambers, Victoria Street, London, S.W.,

30th January, 1879.

SIR,—

I have the honor to acknowledge the receipt of your letter of 7th December last,* on the subject of the new mail contract. In reply, I beg to enclose copies of correspondence with the solicitors of the Government, showing the steps taken at the instance of the Agent-General for New South Wales and myself to forward the completion of the contract by the Pacific Mail Steamship Company. I regret the delay, but Mr. Forster and I have, as you will see, endeavoured to obviate it in every way possible.

I have, &c.,
JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 20.

Messrs. JOHN MACKRELL and Co. to the AGENT-GENERAL.

DEAR SIR JULIUS,—

21, Cannon Street, London, 27th December, 1878.

We send below copy of a letter we have to-day received from the Pacific Mail Steamship Company. We have sent a copy to Messrs. Elder and Co.'s solicitors, and asked them to let us hear from them.

We have, &c.,
JOHN MACKRELL AND Co.

The Agent-General for New Zealand.

Sub-Enclosure to Enclosure 1 in No. 20.

The PRESIDENT of the PACIFIC MAIL STEAMSHIP COMPANY to Messrs. JOHN MACKRELL and Co.

DEAR SIR,—

New York, 14th December, 1878.

Yours of 29th November came duly to hand, and contents have our careful attention.

We have received the copies of amended contract and bond through Messrs. Foster and Thomson, and the same are having the attention of our counsel for comparison and advice as to same before signing.

We will advise you at the earliest possible moment by cable (to the address registered, as per your letter), both as to the acceptance of the amended contract, and the matter of the surety in the place of Mr. Macgregor.

We shall be obliged, however, to consult Messrs. John Elder and Co., to whom we note you have sent also copies of both contract and bond, and are writing them by this mail to cable us their views.

It is probable, however, that we shall hear from them on this matter in anticipation of our inquiry, which will, of course, facilitate us in giving our reply to the Agents-General.

I have, &c.,
D. S. BABCOCK,
President.

Messrs. John Mackrell and Co.,
21, Cannon Street, London.

* Vide No. 11.

Enclosure 2 in No. 20.

The AGENT-GENERAL to Messrs. JOHN MACKRELL and Co.

7, Westminster Chambers, Victoria Street, London, S.W.,
14th January, 1879.

GENTLEMEN,—

We approve of your telegraphing to the Pacific Mail Steamship Company, as proposed in your letter of yesterday to the Agent-General for New South Wales, in order to enable him to reply more definitely than is at present possible to a telegram from his Government, dated Sydney, 8th instant:—"Has modified contract Pacific Mail Service been executed?"

We are, &c.,

WILLIAM FORSTER,
Agent-General for New South Wales.
JULIUS VOGEL,
Agent-General for New Zealand.

Messrs. John Mackrell and Co., London.

Enclosure 3 in No. 20.

Messrs. JOHN MACKRELL and Co. to the AGENTS-GENERAL for NEW ZEALAND and NEW SOUTH WALES.

21, Cannon Street, London, 14th January, 1879.

GENTLEMEN,—

Pacific Mail Contract.

We subjoin a copy of a letter we have this morning received from our agents in New York. We have written to Messrs. Elder and Co.'s solicitors. Your letter of to-day's date is just to hand. Shall we delay sending by cable as instructed?

We have, &c.,

The Agents-General for New Zealand and
New South Wales, London.

JOHN MACKRELL AND Co.

Sub-Enclosure to Enclosure 3 in No. 20.

Messrs. FOSTER and THOMSON to Messrs. JOHN MACKRELL and Co.

DEAR SIR,—

69, Wall Street, New York, 4th January, 1879.

We are informed by the Pacific Mail Steamship Company that the new mail contract and bond are now in the hands of their lawyers, who have not yet reported to the Company.

The Company is also awaiting the arrival of a letter from Messrs. John Elder and Co. in regard to the surety. As soon as anything definite is heard from the Company we will notify you.

We have, &c.,

Messrs. John Mackrell and Co., London.

FOSTER AND THOMSON.

Enclosure 4 in No. 20.

MINUTE of the AGENT-GENERAL for NEW ZEALAND to the AGENT-GENERAL for NEW SOUTH WALES.

MR. FORSTER,—It might be desirable to vary the words, but I think Mr. Mackrell should be instructed to cable in a manner showing that we press for early action, and are not content with their indefinite delay.

15th January, 1879.

J. VOGEL.

Enclosure 5 in No. 20.

The AGENTS-GENERAL to Messrs. JOHN MACKRELL and Co.

7, Westminster Chambers, Victoria Street, London, S.W.,
15th January, 1879.

GENTLEMEN,—

In reply to your letter of yesterday, relative to the Pacific Mail Contract, we still think it desirable that you should cable to the Company in such a manner as to show that we press for early action, and that we are not content with the present indefinite delay.

We are, &c.,

WILLIAM FORSTER,
Agent-General for New South Wales.
JULIUS VOGEL,
Agent-General for New Zealand.

Messrs. John Mackrell and Co.

Enclosure 6 in No. 20.

Messrs. JOHN MACKRELL and Co. to the AGENTS-GENERAL for NEW ZEALAND and NEW SOUTH WALES.

21, Cannon Street, London, 22nd January, 1879.

DEAR SIR,—

Mail Contract.

In compliance with your instructions, we forwarded to the Pacific Mail Steamship Company a cablegram as follows:—"Colonial Governments not content present indefinite delay settling contract. Wish matter completed; when can you complete?" but we have not received any reply.

The mail of this morning brings us the duplicate of the letter to us of the 14th December, of which we sent you a copy.

The Agents-General for New Zealand and
New South Wales, London.

We have, &c.,
JOHN MACKBELL AND CO.

Enclosure 7 in No. 20.

Messrs. JOHN MACKBELL and Co. to the AGENTS-GENERAL for NEW ZEALAND and NEW SOUTH WALES.

21, Cannon Street, London, 24th January, 1879.

GENTLEMEN,—

Mail Contract.

In compliance with your instructions we have telegraphed to Messrs. John Elder and Co., as follows:—"Letters Pacific Company imply delay settlement mail contract rests with you. Agents-General instruct us ask cause delay. Reply paid." And we have also telegraphed to our agents at New York as follows:—"Ascertain cause delay settling Pacific contract. Governments require matter dealt with. Cable reply.

The Agents-General for New Zealand and
New South Wales, London.

We have, &c.,
JOHN MACKBELL AND CO.

Enclosure 8 in No. 20.

Messrs. JOHN MACKBELL and Co. to the AGENTS-GENERAL for NEW ZEALAND and NEW SOUTH WALES.

21, Cannon Street, London, 28th January, 1879.

GENTLEMEN,—

Mail Contract.

In reply to the telegram we sent to Messrs. John Elder and Co., they informed us that they had sent instructions to their solicitor to see us on the matter. Accordingly their solicitor, Mr. Lyne, called upon us yesterday, and explained that Messrs. Elder and Co. could get no reply to their communications to the Pacific Mail Steamship Company, and that they hardly knew what course to take; that Mr. Ure was retiring from business on account of ill health, and that most probably Mr. Jamieson would do the same; that Mr. Pearce, the remaining partner, contemplated taking some one to join him in the business, and those two would be prepared to enter into a new bond; but they did not know who to propose in the place of Mr. Macgregor, but hoped the Governments would be satisfied with their firm unless the Pacific Company were prepared to propose another surety.

Since then our agents in New York have replied to the message which we sent them, as you instructed, and state as follows:—"Pacific accepts contract, but cannot furnish other security than Elder."

We told Mr. Lyne that we thought the question of another surety would be very much affected by who might be the new partner of Mr. Pearce, because, of course, the firm of John Elder and Co. must be necessarily weakened in capital by the withdrawal of Mr. Ure and Mr. Jamieson.

We are afraid that unless the two Governments are content to accept the suretyship of John Elder and Co., the contract is likely to remain in abeyance for some time; and we suggest for your consideration whether it would not be desirable for you to cable for instructions as to the course which shall be taken.

The Agents-General for New Zealand and
New South Wales, London.

We have, &c.,
JOHN MACKBELL AND CO.

Enclosure 9 in No. 20.

MEMORANDUM by the SECRETARY to the AGENT-GENERAL for NEW SOUTH WALES to the AGENT-GENERAL for NEW ZEALAND.

MR. FORSTER yesterday personally instructed Messrs. Mackrell and Co. in accordance with Sir Julius Vogel's minute of that date, which was as follows:—"Take on surety at once, and settle matters as quickly as possible," in which Mr. Forster concurred. Messrs. Mackrell were requested to report progress without delay.

30th January, 1879.

A. A. JOPP, Captain, R.E.,
Secretary, New South Wales Government Agency.

No. 21.

The Hon. J. T. FISHER to the AGENT-GENERAL.

General Post Office, Wellington, 24th March, 1879.

SIR,—

I have the honor to acknowledge the receipt of your communication of the 30th January last, enclosing copies of correspondence with the solicitors of the Government, showing the steps taken at the joint instance of the Agent-General for New South Wales and yourself, towards forwarding the completion of the new contract with the Pacific Mail Steamship Company. The delay referred to by you is regretted, but appears to have been unavoidable under the circumstances.

I enclose for your information copies of the telegrams* which have been exchanged between the Hon. the Postmaster-General of New South Wales and myself, on the subject under notice.

The Agent-General for New Zealand, London.

I have, &c.,
J. T. FISHER.

* Vide Nos. 15 to 18.

No. 22.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 26th September, 1878.

By direction of the Hon. the Postmaster-General I have to request that you may be good enough to move the Hon. Mr. Burns to intimate his intentions with respect to the time-table for regulating the San Francisco Mail Service for the ensuing year. It does not occur to the Postmaster-General that the existing time-table requires material alteration. It is proposed, however, to fix 2 p.m., instead of 4 p.m., as the hour for the departure of the outward steamers from Auckland.

I have, &c.,

W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

No. 23.

The SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 23rd October, 1878.

POSTMASTER-GENERAL concurs that existing Fr'isco time-table does not require alteration, except in regard to leaving Auckland at two instead of four. Purpose to issue time-table for next year accordingly. Reply.

The Secretary, General Post Office, Wellington.

SECRETARY.

No. 24.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 23rd October, 1878.

FR'isco time-table, 1879.—Issue as proposed.

The Secretary, General Post Office, Sydney.

W. GRAY.

No. 25.

General Post Office, Wellington, 8th November, 1879.

SIR,—

With respect to the movements of the San Francisco mail steamers for the ensuing year, I have the honor to inform you that it has been decided, in conjunction with the Government of New South Wales, to continue the service during the year 1879 on the basis of the existing time-table, the only difference being that the hour of departure from Auckland for San Francisco has been fixed for 2 p.m., instead of 4 p.m., as at present. Due intimation of this decision has been communicated to the President of the Pacific Mail Steamship Company by the present mail.

I have, &c.,

W. GRAY,
(for the Postmaster-General.)

The Agent-General for New Zealand, London.

No. 26.

The AGENT-GENERAL to the HON. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 8th January, 1878.

I have the honor to acknowledge the receipt of your letter of 8th November, 1878, advising me of the decision of the Government respecting the continuance of the service for the San Francisco mails during the year 1879.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

No. 27.

Mr. GRAY to the PRESIDENT, Pacific Mail Steamship Company, New York.

SIR,—

General Post Office, Wellington, 9th November, 1878.

I have the honor to inform you that it is intended to continue the present modified service during the ensuing year on the basis of the existing time-table, and to request that you may be good enough to accept this intimation as giving you notice, on behalf of the Governments of New South Wales and New Zealand, of their intentions with regard to the San Francisco Mail Service for the year 1879. The only difference will be that, on the voyage from New Zealand to San Francisco, the hour of departure from Auckland will be fixed for 2 p.m., instead of 4 p.m., as at present.

I have, &c.,

W. GRAY,
(for the Postmaster-General.)The President, Pacific Mail Steamship Company,
New York.

No. 28.

The PRESIDENT of the PACIFIC MAIL STEAMSHIP COMPANY to the Hon. the POSTMASTER-GENERAL,
Wellington.

Pacific Mail Steamship Company, Pier Foot of Canal Street, N.R.,
New York, 14th December, 1878.

SIR,—

I have the honor to acknowledge the receipt of the letter of the Secretary, W. Gray, Esq., of the 9th November, advising that it is intended to continue the modified service during the ensuing year, on the basis of "the existing time-table;" also, that "the departures from Auckland will be fixed for 2 p.m., instead of 4 p.m., as at present," of the day of sailing from that port.

I have to signify the acceptance by this Company of said schedule, and to advise that we have so instructed our General Agents at San Francisco and Sydney, N.S.W. (the latter will advise the Agent at Auckland), and have furnished them with a copy of your esteemed favor before referred to.

I have, &c.,

D. S. BABCOCK,
President, P. M. S. S. Co.

The Postmaster-General of New Zealand, Wellington.

No. 29.

Mr. GRAY to the PRESIDENT, Pacific Mail Steamship Company.

SIR,—

General Post Office, Wellington, 1st February, 1879.

I am directed by the Hon. the Postmaster-General to acknowledge your communication of the 14th December last, owning receipt of mine of the 9th November, and intimating the intention of the contracting Governments to continue the San Francisco Mail Service during the present year on the basis of last year's time-table. I note your acceptance, on behalf of the Pacific Mail Steamship Company, of the intimation conveyed in my letter.

I have, &c.,

W. GRAY,
Secretary.

The President, Pacific Mail Steamship Company, New York.

No. 30.

Mr. GRAY to the PRESIDENT, Pacific Mail Steamship Company, New York.

SIR,—

General Post Office, Wellington, 3rd January, 1879.

Adverting to my letter to you of the 9th November last, relative to the time-table of the San Francisco Mail Service, I have now the honor to forward herewith an official time-table for the mail service between Sydney, Auckland, and San Francisco for the current year, approved of by the Postmasters-General of New South Wales and New Zealand.

I have, &c.,

W. GRAY,
Secretary.

The President, Pacific Mail Steamship Company,
New York.

Enclosure in No. 30.

OFFICIAL TIME-TABLE for the Mail Service between Sydney, Auckland, and San Francisco, for
the Year 1879.

Approved by the Postmasters-General of New South Wales and New Zealand.

HOMEWARD ROUTE.			OUTWARD ROUTE.		
Leave		Arrive at	Leave		Arrive at
Sydney.	Auckland.	San Francisco.	San Francisco.	Auckland.	Sydney.
Thursday, 3 p.m.	Tuesday, 2 p.m.	Thursday.	Monday.*	Wednesday.	Monday.
1879.	1879.	1879.	1879.	1879.	1879.
...	...	...	Jan. 20	Feb. 12	Feb. 17
...	...	...	Feb. 17	March 12	March 17
Jan. 2	Jan. 7	Jan. 30	March 17	April 9	April 14
Jan. 30	Feb. 4	Feb. 27	April 14	May 7	May 12
Feb. 27	March 4	March 27	May 12	June 4	June 9
March 27	April 1	April 24	June 9	July 2	July 7
April 24	April 29	May 22	July 7	July 30	Aug. 4
May 22	May 27	June 19	Aug. 4	Aug. 27	Sept. 1
June 19	June 24	July 17	Sept. 1	Sept. 24	Sept. 29
July 17	July 22	Aug. 14	Sept. 29	Oct. 22	Oct. 27
Aug. 14	Aug. 19	Sept. 11	Oct. 27	Nov. 19	Nov. 24
Sept. 11	Sept. 16	Oct. 9	Nov. 24	Dec. 17	Dec. 22
				1880.	1880.
Oct. 9	Oct. 14	Nov. 6	Dec. 22	Jan. 14	Jan. 19
			1880.		
Nov. 6	Nov. 11	Dec. 4	Jan. 19	Feb. 11	Feb. 16
		1880.			
Dec. 4	Dec. 9	Jan. 1	Feb. 16	March 10	March 15

* Or immediately on arrival of London mail at San Francisco.

General Post Office, Wellington, 31st December, 1878.

W. GRAY.

No. 31.

The VICE-PRESIDENT of the PACIFIC MAIL STEAMSHIP COMPANY to the Hon. the POSTMASTER-GENERAL.

Pacific Mail Steamship Company, Pier Foot of Canal Street, N.R.

New York, 8th February, 1879.

SIR,—

I have the honor to acknowledge the receipt of the letter of the Secretary, W. Gray, Esq., dated 3rd January, enclosing official copy of the time-table of the San Francisco Mail Service for the year 1879.

As we had on the 14th December expressed our acceptance of the time-table as proposed, we now beg to confirm said acceptance, and to enclose herewith a printed copy of the time-table,* as issued by us for the information of shippers and the public, which has been carefully compared, and found to be the same as that forwarded by your department in the official communication under reply.

I have, &c.,

JOHN RILEY,

Vice-President.

The Hon. the Postmaster-General of New Zealand, Wellington.

No. 32.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 3rd December, 1878.

I have the honor to transmit herewith copy of a letter received from Messrs. Mackrell and Co., covering duplicate of the notice sent to the Pacific Mail Steamship Company at New York, respecting the San Francisco Mail Contract.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 32.

Messrs. JOHN MACKRELL and Co., to the AGENT-GENERAL for NEW ZEALAND.

21, Cannon Street, London, 14th November, 1878.

DEAR SIR JULIUS,—

Mail Contract.

Enclosed we send you two duplicates of the notice which has been sent by to-night's post to New York for service on the Pacific Mail Steamship Company, for the use of yourself and your Government, to each of which please attach a print of the time-table for 1879, similar to that which we have sent to America.

We have, &c.,

The Agent-General for New Zealand, London.

JOHN MACKRELL AND Co.

Sub-Enclosure to Enclosure in No. 32.

The AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND to the PACIFIC MAIL STEAMSHIP COMPANY, New York, U.S.

GENTLEMEN,—

Referring to the contract entered into between yourselves and the Postmasters-General of the Colonies of New South Wales and New Zealand respectively, we hereby, as Agents for and on behalf of such Postmasters-General, give you notice and require you to receive, convey, and deliver at San Francisco, Auckland, and Sydney, Her Majesty's mails and all other mails which may be entrusted to you by the Postmasters-General of the said colonies respectively, at or according to the dates or times in the table hereunto annexed respectively mentioned.*

Dated at London, the 13th of November, 1878.

WILLIAM FORSTER,

Agent-General for New South Wales.

JULIUS VOGEL,

Agent-General for New Zealand.

No. 33.

Mr. GRAY to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 1st February, 1879.

I have the honor to acknowledge the receipt of your communication of the 3rd December last, forwarding copy of a letter received by you from Messrs. Mackrell and Co., covering duplicate of the notices sent to the Pacific Mail Steamship Company, at New York, respecting the San Francisco Mail Contract.

I have, &c.,

W. GRAY,

(for the Postmaster-General.)

The Agent-General for New Zealand, London.

No. 34.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Westminster Chambers, London, S.W., 17th December, 1878.

I have the honor to transmit for your information copy of a letter addressed to Mr. Forster

* *Vide* Enclosure to No. 30.

and myself by the Pacific Mail Steamship Company, in reference to the foot-note on the time-table for the San Francisco Mail Service; and also copy of our reply thereto.

I have, &c.,
JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 34.

The PRESIDENT of the PACIFIC MAIL STEAMSHIP COMPANY to the AGENTS-GENERAL for NEW SOUTH WALES AND NEW ZEALAND.

GENTLEMEN,— Pacific Mail Steamship Company, New York, 29th November, 1878.

We have received, through Messrs. Foster and Thomson of this city, your notification of the 13th instant, and accompanying schedule for 1879.

We notice at the bottom of said schedule a note which reads:—"Or immediately on arrival of London mail at San Francisco, if it shall arrive before the dates respectively appointed."

This note refers to the departures of the steamers outward from San Francisco for Auckland and Sydney, which are set down for every fourth Monday as at present.

Are we to understand from this note that, if the London mail arrives in San Francisco by any chance on the 18th of January, for example, the steamer which has been advertised to sail on the 20th (Monday, the regular sailing day), must be despatched on the 18th (Saturday)?

If so, we decidedly object to the exaction, as we should be unable to issue any time-table for the Australian line which would be otherwise than ambiguous in the information it would afford to the public, and we should besides (which is the most serious consideration) lay ourselves open to innumerable claims from intending passengers, should we despatch a ship *sooner* than the date for which she had been regularly advertised.

In advising passengers hitherto we have been in the habit of qualifying the dates given by the remark that the steamer would be despatched on the date named, or as soon *thereafter* as the London mail arrived in San Francisco. This to prevent claims for possible detention of passengers by non-arrival of the mail in time.

Should we be obliged to carry out the programme indicated in the note to which we have referred, however, the chances for detention and consequent claims for damages arising therefrom would certainly be very much increased, as few passengers arrange to arrive in San Francisco more than a day before the appointed day of sailing, and many make their calculations to arrive the evening before.

The overland train arrives in the evening (as you are doubtless aware), and the steamer is usually despatched as soon after noon as is practicable.

We beg, therefore, to be advised at your early convenience as to the intention of your good selves in appending said note to the schedule, and, if we are wrong, that your intention may be more clearly expressed.

I have, &c.,
D. S. BABCOCK,
President.

William Forster, Esq., and Sir Julius Vogel,
Agents-General for the Governments of New South Wales and New Zealand,
3, Westminster Chambers, Victoria Street, S.W., London, England.

Enclosure 2 in No. 34.

The AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND to the PACIFIC MAIL STEAMSHIP COMPANY, New York.

GENTLEMEN,— 7, Westminster Chambers, London, S.W., 13th December, 1878.

In reply to your letter of the 29th ultimo, relative to the note on the 1879 time-table for the New Zealand and New South Wales Mail Service by way of San Francisco: "Or immediately on arrival of London mail at San Francisco, if it shall arrive before the dates respectively appointed."

We desire to explain that, in framing the above note, we intended to permit, but not to compel you to arrange an earlier departure for the steamer from San Francisco on any occasion on which the mails might arrive from New York before the day named in the table.

We have, &c.,
WILLIAM FORSTER,
Agent-General for New South Wales.
JULIUS VOGEL,
Agent-General for New Zealand.

The Pacific Mail Steamship Company, New York.

No. 35.

The Hon. J. T. FISHER to the AGENT-GENERAL.

SIR,— General Post Office, Wellington, 13th February, 1879.

I have the honor to acknowledge the receipt of your letter of the 17th December last, enclosing copy of a letter addressed by the President of the Pacific Mail Steamship Company to Mr. Forster and yourself, in reference to the foot-note on the time-table for the San Francisco Mail Service; together with a copy of the joint reply sent thereto.

I have, &c.,
J. T. FISHER.

The Agent-General for New Zealand, London.

No. 36.

Mr. PAGE to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

General Post Office, London, 9th December, 1878.

I have the honor to inform you that the mails from London for Australia and New Zealand, *via* San Francisco, will be despatched during the ensuing year as at present, on the evening of every fourth Thursday, as follows:

Thursday, 2nd January, 1879.	Thursday, 17th July, 1879.
„ 30th January, 1879.	„ 14th August, 1879.
„ 27th February, 1879.	„ 11th September, 1879.
„ 27th March, 1879.	„ 9th October, 1879.
„ 24th April, 1879.	„ 6th November, 1879.
„ 22nd May, 1879.	„ 4th December, 1879.
„ 19th June, 1879.	

The Hon. the Postmaster-General, Wellington.

I have, &c.,
WM. JAS. PAGE.

No. 37.

Mr. GRAY to the SECRETARY, General Post Office, London.

SIR,—

General Post Office, Wellington, 21st February, 1879.

I have the honor, by direction of the Postmaster-General, to acknowledge the receipt of your communication of the 9th December last, furnishing the dates on which the mails from your office for Australia and New Zealand, *via* San Francisco, will be despatched during the current year.

The Secretary, General Post Office, London.

I have, &c.,
W. GRAY.
Secretary.

No. 38.

The Hon. J. F. BURNS to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 8th November, 1878.

PRESUME you have been informed of Pacific Company's proposed alteration of time-table, this Government having already telegraphed Agent-General that it has been arranged with New Zealand to continue time-table on present basis, and to instruct Contractors accordingly. Perhaps no further communication to London necessary, unless to say that we adhere to decision not to alter table at present.

The Hon. the Postmaster-General, Wellington.

J. F. BURNS.

No. 39.

The Hon. J. MACANDREW to the Hon. J. F. BURNS.

(Telegram.)

Wellington, 9th November, 1878.

FRISCO time-table. Have heard nothing of the alteration proposed by the Pacific Company. Agent-General and Contractors informed by letter of intention of Governments continue existing time-table.

The Hon. J. F. Burns, Sydney.

J. MACANDREW,
(for the Postmaster-General.)

No. 40.

Sir G. GREY to the Hon. J. T. FISHER.

(Telegram.)

Wellington, 16th November, 1878.

AGENT-GENERAL telegraphs "Pacific Company propose new time-table. Steamers to leave Auckland one day earlier and London one week earlier, their object being to work contract with three steamers. Think proposal most objectionable, and have told Company so, but explaining that I have not consulted you. Mails not likely reach London sooner, and too little time here for reply. Postmasters should communicate to Company table for 1879. Present table works admirably. Forster concurs, and telegraphs his Government similarly.—VOGEL." This appears to us a proposal we should not agree to. It goes beyond consent recently given as to spare boat at Sydney. What do you advise?

The Hon. J. T. Fisher, Christchurch.

G. GREY.

No. 41.

The Hon. J. T. FISHER to the Hon. the PREMIER.

(Telegram.)

Dunedin, 19th November, 1878.

Re Agent-General's telegram—Colony should insist upon employment four steamers, and absolutely refuse to alter the time-table as proposed by Contractors. Agent-General and Contractors already informed* by this colony that Governments have decided continue for 1879 time-table on existing basis, and New South Wales forwarded Contractors copy of approved time-table 1879.

The Hon. the Premier, Wellington.

J. T. FISHER.

No. 42.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, November 19th, 1878.

FRISCO contract.—Insist four steamers. Table seventy-nine old basis forwarded Contractors.

The Agent-General, London.

G. GREY.

No. 43.

Messrs. GILCHRIST, WATT, and Co., to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Sydney, 27th November, 1878.

We have the honor to advise the receipt by us of a letter from Messrs. Williams, Blanchard, and Co., dated 24th October, and to draw your attention to the following extracts therefrom:—

“*Re Change in Australian Service—*

“DEAR SIRS,—By the present schedule for the Australian Line Service, each steamer on each voyage is detained fifty-six days in port, and four steamers are consequently required to do what can readily be performed by three, and allowing ample time for discharging and receiving cargo at each port, also for docking at Sydney.

“This unusual stoppage in port has attracted the notice of our President, who has directed us to make up a schedule for 1879, and forward same to you, showing that the service can be effectually performed by three steamers, fully meeting all the requirements of the trade, with due regard for the transmission of the mails on schedule time.

“We accordingly enclose with this such a schedule for the coming year, designed for performance by these vessels, giving sixteen lay days at Sydney, and twelve days here.

“The President requests us to solicit your good offices with the Postmasters-General of the two colonies, to obtain their consent to this change in the mail contract.

“You can assure the Postmasters-General that it is wholly for our interest to make the service as complete and perfect as possible; also that we feel sure of our ability to perform it on this proposed new schedule.

“We have practically found that, on the China route, three steamers can perform a monthly service with the most perfect regularity, the time required for a trip being about the same (twenty-seven days) as on the Sydney route.

“The schedule herewith submitted can be moved forward or backward a week, as may be deemed requisite to meet the necessities of the service.

“It is intimated that very soon the time by rail between this and New York will be reduced twelve, and possibly twenty-four, hours. This reduction will ensue to the advantage of the Australian route.”

We commend the foregoing for your consideration, and trust that you may enable us to send a favorable reply at an early date.

We have, &c.,

GILCHRIST, WATT, AND Co.,

General Agents for the Contractors, San Francisco Mail Service.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 43.

DEPARTURE OF STEAMERS, AUSTRALIAN LINE, 1879.

From San Francisco.			From Sydney.		
Australia.	P. M. S. S. Co.	Zealandia.	P. M. S. S. Co.	Zealandia.	Australia.
Jan. 13	Feb. 10	March 10	Jan. 1	Jan. 29	Feb. 26
April 7	May 5	June 2	March 26	April 23	May 21
June 30	July 28	Aug. 25	June 18	July 16	Aug. 13
Sept. 22	Oct. 20	Nov. 17	Sept. 10	Oct. 3	Nov. 5
Dec. 15	...	...	Dec. 3	...	...

Enclosure 2 in No. 43.

TIME-TABLE, AUSTRALIAN ROUTE, SERVICE PERFORMED BY THREE STEAMERS.

OUTWARD ROUTE.					HOMeward ROUTE.				
Leave		Arrive at			Leave			Arrive at	
London.	San Fr'isco.	Honolulu.	Auckland.	Sydney.	Sydney.	Auckland.	Honolulu.	San Fr'isco.	London.
Thursday Evening.	Monday.	Tuesday.	Wednesday.	Monday.	Wednesday.	Monday.	Tuesday.	Wednesday.	Saturday.
1878. Dec. 26 1879.	1879. Jan. 13	1879. Jan. 21	1879. Feb. 5	1879. Feb. 10	1879. Jan. 1	1879. Jan. 6	1879. Jan. 21	1879. Jan. 29	1879. Feb. 15
Jan. 23	Feb. 10	Feb. 18	Mar. 5	Mar. 10	Jan. 29	Feb. 3	Feb. 18	Feb. 26	Mar. 15
Feb. 20	Mar. 10	Mar. 18	April 2	April 7	Feb. 26	Mar. 3	Mar. 18	Mar. 26	April 12
Mar. 20	April 7	April 15	April 30	May 5	Mar. 26	Mar. 31	April 15	April 23	May 10
April 17	May 5	May 13	May 28	June 2	April 23	April 28	May 13	May 21	June 7
May 15	June 2	June 10	June 25	June 30	May 21	May 26	June 10	June 18	July 5
June 12	June 30	July 8	July 23	July 28	June 18	June 23	July 8	July 16	Aug. 2
July 10	July 28	Aug. 5	Aug. 20	Aug. 25	July 16	July 21	Aug. 5	Aug. 13	Aug. 30
Aug. 7	Aug. 25	Sept. 2	Sept. 17	Sept. 22	Aug. 13	Aug. 18	Sept. 2	Sept. 10	Sept. 27
Sept. 4	Sept. 22	Sept. 30	Oct. 15	Oct. 20	Sept. 10	Sept. 15	Sept. 30	Oct. 8	Oct. 25
Oct. 2	Oct. 20	Oct. 28	Nov. 12	Nov. 17	Oct. 8	Oct. 13	Oct. 28	Nov. 5	Nov. 22
Oct. 30	Nov. 17	Nov. 25	Dec. 10	Dec. 15	Nov. 5	Nov. 10	Nov. 25	Dec. 3	Dec. 20
Nov. 27	Dec. 15	Dec. 23	1880. Jan. 7	1880. Jan. 12	Dec. 3	Dec. 8	Dec. 23	Dec. 31	1880. Jan. 17

NOTE.—The running time between Sydney and San Francisco is the same as in present schedule. But with one exception, during this year, the Australian steamers have arrived one day ahead of schedule time, and we think the arrivals at Honolulu and San Francisco could and should be made one day earlier, thus placing the mails in New York in season for the Wednesday steamer.

No. 44.

Mr. GRAY to Messrs. GILCHRIST, WATT, and Co.

GENTLEMEN,—

General Post Office, Wellington, 2nd January, 1879.

I am directed to acknowledge the receipt of your communication of the 27th November last, embodying the substance of a communication addressed to you by Messrs. Williams, Blanchard, and Co., the San Francisco Agents of the Pacific Mail Steamship Company, relative to a proposal made by the President of the Company for performing the present San Francisco Mail Service with three boats instead of four.

In reply, I beg to inform you that the proposal is one which this Government decline to entertain. I may add that the matter was brought under the notice both of this and the New South Wales Governments, in the month of November, and that, after due consultation, the respective Agents-General were advised by telegram to the effect that four boats must be maintained in the service, as at present.

I have, &c.,

W. GRAY,

Secretary.

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

No. 45.

The Hon. SAUL SAMUEL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Sydney, 10th January, 1879.

I have the honor to transmit herewith, copy of a communication received from Messrs. Gilchrist, Watt and Co., and of enclosures* therein, containing a proposal for the mail service between Sydney and San Francisco to be performed by three boats. The service under the present time-table could be worked with three boats, apparently just as easily as under the proposed one, so far as the Contractors' interest is concerned, but I am of opinion that the new contract (as it has already been determined) shall provide for the actual employment of four boats, as with this number of vessels the services of a steamer can be secured at this end of the line to take out the mails in the event of an accident to the incoming boat. This very essential requirement would not be met if sanction were given for the employment of only three boats. Apart from this, however, the present table alternates better with other mail services than that proposed, and no change, therefore, seems desirable. I shall be glad to learn your views before replying finally to Messrs. Gilchrist, Watt, and Co.'s letter.

I have, &c.,

SAUL SAMUEL,

Postmaster-General.

The Hon. the Postmaster-General, Wellington.

* The enclosures to this communication were identical with No. 43 of the present series, and enclosures thereto.

No. 46.

Mr. GRAY to the Hon. the POSTMASTER-GENERAL, Sydney.

SIR,—

General Post Office, Wellington, 1st February, 1879.

I have the honor to acknowledge the receipt of your communication of the 10th ultimo, forwarding copy of correspondence addressed to you by Messrs. Gilchrist, Watt, and Co., the Sydney agents for the Pacific Mail Steamship Company, embodying a proposal by the Contractors for the San Francisco Mail Service for the performance of the service with three boats, in place of four, as at present.

In reply I beg to inform you that, previously to the receipt of your letter, the matter under notice had been disposed of by telegraph, and both the Contractors and the Agent-General advised of the joint decision of the contracting Governments not to accede to the proposal.

I have, &c.,

W. GRAY,

(for the Postmaster-General.)

The Hon. the Postmaster-General, Sydney.

No. 47.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 7th November, 1878.

I have the honor to forward to you the copy of a letter, with enclosures, received from Messrs. Charles Clark and Co.

On its receipt, Mr. Forster, who had received a similar letter, and I agreed to make joint reply, copy enclosed. I also forwarded to you a telegram, copy appended, and Mr. Forster sent a similar one to his Government.

Mr. Forster concurs with me in entirely disapproving the proposal contained in Messrs. Clarke and Co.'s letter.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

P.S.—Since the above was written, I have received from the New South Wales Agency copy of the following telegram from Sydney:—"Has been arranged with New Zealand to continue time-table for Frisco service on present basis. Instruct accordingly.—SECRETARY."—J. V.

Enclosure 1 in No. 47.

Messrs. C. CLARKE and Co. to the AGENT-GENERAL.

Windsor Chambers, Great Saint Helen's, London, E.C.,

28th October, 1878.

DEAR SIR,—

At the request of the Pacific Mail Steamship Company we beg to hand you enclosed copy of a letter dated 14th instant, which we have received from the Company, and of a proposed mail schedule for 1879, referred to therein.

We shall be glad to be favoured with an expression of your views on the subject.

We are, &c.,

Sir Julius Vogel, K.C.M.G.,

CHAS. CLARKE AND Co.

Agent-General for New Zealand, 7, Westminster Chambers.

Sub-Enclosure to Enclosure 1 in No. 47.

The PRESIDENT, Pacific Mail Steamship Company, to Messrs. C. CLARKE and Co.

DEAR SIRS,—

New York, October 14th, 1878.

Enclosed we hand you copy of a proposed time-table for the Australian Line for the year 1879,* which admits of the service being performed by three ships instead of by four as at present.

Be so good as to consult with John B. Watt, Esq., Messrs. John Elder and Co. (to whom we are also sending a copy of the schedule by this mail), and the agents of the Australian and New Zealand Governments in your city, and advise us of their views respecting the schedule which has been forwarded to us by our San Francisco Agents, from whose letter accompanying the same we make the following quotation:—

"We think that the schedule we send you will be the best for practical working. The steamers should have all the time possible in Sydney, as they dock there. Our schedule places the arrival here (San Francisco) from Sydney on the Wednesday. This gives us a certainty of no delay of the English mail, as, should it arrive here (San Francisco), as is now the rule, a day in advance of the schedule time, it will leave New York in the Cunard steamer on Wednesday. If it reaches here on the schedule day, it then connects with the steamer of Thursday. Whereas, if it comes here on Monday it will remain in New York two days. You will see that this schedule gives two days less through from Sydney to London, which is an important matter."

I have, &c.,

D. S. BABCOCK,

President.

Messrs. Charles Clarke and Co., London.

Enclosure 2 in No. 47.

The AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND, to Messrs. C. CLARKE and Co.

GENTLEMEN,—

7, Westminster Chambers, London, S.W., November 1st, 1878.

We have the honor to acknowledge the receipt of your letter of 28th October, with enclosures, addressed to us separately, and in reply we have to say that we do not think the Colonial Governments

* Vide Enclosures 1 and 2 in No. 43.

will be satisfied with the proposed time-table. They must of course decide this, but to our minds it is most objectionable, and we are amazed at the proposal to work the line with three steamers, seeing that the present contract provides for five steamers. The prospect under the proposed table of receiving the mails on Saturday would be very uncertain, and if they did arrive on that day but little advantage would accrue, as Saturday is observed in London as a half-holiday, and Sunday is a *dies non*. On the other hand, the shortening by a week the time allowed in London for replying to letters by the outgoing mail would be very inconvenient.

We are only giving you our own opinions, and will be glad if you will without delay communicate them to your principals. We have telegraphed to the Governments on the subject, and it remains to be seen if they indorse our views.

We have, &c.,

JULIUS VOGEL.

WILLIAM FORSTER.

Messrs. Charles Clarke and Co., Windsor Chambers.

No. 48.

The Hon. J. T. FISHER to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 2nd January, 1879.

I have the honor to acknowledge receipt of your letter of the 7th November last, together with the several enclosures thereto, relative to a proposal emanating from the President of the Pacific Mail Steamship Company, and brought under your notice by the London representatives of the Company, for the working of the San Francisco Mail Service with three boats instead of four, as at present. The Pacific Company, through its Sydney agents, Messrs. Gilchrist, Watt, and Co., made similar proposals to the Postmaster-General of New South Wales, and also to myself.

The proposal, as you have been advised by telegraph, has been unfavourably received, the two Governments being decidedly of opinion that the concession was one which on no account should be made the Contractors.

I entirely agree with the joint reply sent by yourself and Mr. Forster to the Contractors' London representatives, which would have prepared the Company for the peremptory refusal subsequently sent by the contracting colonies. I enclose copy of the telegram from the Hon. the Premier above referred to,* which was despatched to you from Wellington on the 19th November last.

I have, &c.,

J. T. FISHER.

The Agent-General for New Zealand, London.

No. 49.

The AGENT-GENERAL to the Hon. the PREMIER.

SIR,—

7, Westminster Chambers, London, S.W., 27th August, 1878.

I have the honor to acknowledge the receipt of your telegram respecting postal negotiations, of which I subjoin a copy.† Having communicated with the Agent-General for New South Wales on the subject, we agreed to make a representation to the Secretary of State, in the terms of the letter of which I append a copy.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Premier, Wellington.

Enclosure in No. 49.

The AGENTS-GENERAL for NEW ZEALAND and NEW SOUTH WALES to the SECRETARY OF STATE
for the COLONIES.

SIR,—

7, Westminster Chambers, London, S.W., 23rd August, 1878.

Since the interview we had the honor to have with you on Saturday last, we have received further telegrams, instructing us to urge that the present arrangements for dividing postages should be allowed to continue until the expiration of the contracts now in force. The San Francisco Contract expires in 1883.

We beg to represent to you that it is very desirable this should be done. The colonies seem to be satisfied with the present arrangement, whilst there appears to be a very strong feeling against the proposed change. We believe that this does not arise so much from its money effect, as from the fact that it is made without any sufficient reason being given to justify it. If there is to be a change, it should be made after a consideration of all the figures, and it should be based on the principle of the mother-country and the colonies mutually bearing the burden of the cost of postal communication—a principle which we understood you, at our late interview, to approve. This has been the principle prevailing for years past. Owing, however, to the cost of the connecting services, the net cost to the colonies is very much more than to the mother-country, and much more than it was before the present arrangement. A fair revision of that arrangement would not be likely to place the Imperial Government in a better position than at present, and, as the Colonial Governments are satisfied with the present arrangement, it is for the interest of the Imperial Government to continue it.

We have, &c.,

JULIUS VOGEL.

WILLIAM FORSTER.

The Secretary of State, Colonial Office.

* *Vide* No. 42.

† *Vide* No. 21 of F.-4A., 1878.

No. 50.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,— 7, Westminster Chambers, London, S.W., 29th August, 1878.

In continuation of other letters* which I have written to you on the subject of the proposed change in the payment of postages collected here on account of the Australasian mails, I have the honor to inform you that, subsequent to my letter of the 14th August, Mr. Forster, the Agent-General for New South Wales, received instructions from his Government to take action here in the matter, and to co-operate with me. In consequence of these instructions he addressed to the Secretary of State a letter, copy of which is enclosed. Mr. Forster received in reply an invitation to an interview with Sir Michael Hicks Beach. At Mr. Forster's request I accompanied him to this interview, as did also the Secretary of the New South Wales Agency, Captain Jopp.

Mr. Forster explained at some length why he had not previously accompanied the other Agents-General. His explanation was to the same effect as his letters in the correspondence enclosed. He did not consider there was reason for immediate action; he thought it best that instructions should reach him from his Government after they had received the papers from the Colonial Office. He did not look upon it that those papers indicated a decision on the part of the Imperial Government; he regarded them more as an invitation to the colonies to express an opinion. He proceeded to consider the general question, and protested against the proposed alteration. He thought the proposal inconsistent with previous Imperial policy, and calculated to create a breach with the colonies, as displaying a disposition on the part of the mother-country to throw them on their own resources, and not to bear a fair share of the cost of maintaining communication with them. He further urged that, though because of the present contract to Galle providing for the carriage of all mails, including the Australian mails, the San Francisco mails which had to be paid for according to weight might seem to be placed on a worse footing than the mails by way of Galle, he yet considered they should be maintained on one and the same footing.

Sir Michael Hicks Beach, in reply, said he admitted the Treasury had not given sufficient reasons for the proposed change, and that he had referred to the Treasury, for further consideration, the letters he had received from Sir A. Michie and from me, and would do the same with Mr. Forster's letter. The Treasury officers, too, had heard the representations which had been made to him by the Agents-General at the previous interview. He was of opinion the matter demanded further consideration. I asked Sir Michael Hicks Beach were we at liberty to intimate to our Governments that he was favorable to the question being reconsidered. He said, "Yes, certainly," we might state so, and he further implied his opinion that the question was merely one of the colonies not throwing upon the mother-country an unfair amount of the burden of postal communication between them.

I then explained the circumstances under which I was present at the interview: I mentioned that a telegram received by Sir Archibald Michie seemed to show that a conference of representatives of various colonies had been held at Melbourne to consider the subject, and that, judging by the telegram received, the matter had created very much interest in the colonies. I again urged that this was probably not on account so much of the amount at stake as because of the arbitrary nature of the change. I quite concurred in the principle of a fair division, but I showed that whilst the colonies, for the mail services and coastal deliveries, paid about £200,000, the postage which they received from all sources under the present arrangement must leave them a considerable loss, which, as far as I could estimate, amounted to about £80,000 a year, whilst the Imperial Government were in a much better position. I mentioned also that, in my opinion, the San Francisco service had the stronger case, because, since the arrangement of 1873 was made, the cost of the Atlantic service was reduced one-half. The fact that the mode of charge was by weight instead of by bulk seemed to me of no importance, as of course every one was aware the carriage of the mails to New York or Singapore represented a valuable consideration. Captain Jopp made some remarks upon the relative burden of the cost of the services to the mother-country and the colonies. I pressed very strongly for an early decision, and said there was no need to wait for communications from the colonies, as all the Governments had placed the matter in the hands of the Agents-General. I asked, as the question affected other departments than the Colonial Office, if it would not be well that we should see the Chancellor of the Exchequer, and the Postmaster-General. Sir Michael Hicks Beach said he thought it would be desirable that we should do so, as soon as they returned to town. They would be away for a time for the autumn recess.

Subsequent to the interview I forwarded to you a telegram, copy appended.†

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 50.

The AGENT-GENERAL for NEW SOUTH WALES to the SECRETARY of STATE for the COLONIES.

SIR,— 3, Westminster Chambers, Victoria Street, S.W., 12th August, 1878.

Pursuant to instructions, in terms of the telegram from the Government of New South Wales, dated Sydney, 7th instant, of which a copy is appended hereto,‡ and with special reference to Mr. Herbert's letter§ of the 5th ultimo, transmitting for my information a copy of a circular despatch, with enclosures, which you had addressed to the Governors of the Australasian Colonies with reference to certain proposed changes in the division between the Imperial and Colonial Post Offices of the postages on correspondence between the Australasian Colonies and this country, I have the honor,

* *Vide* F.-4A., 1878, Nos. 24 and 26.

† *Vide* F.-4A., 1878, No. 23.

‡ *Vide* No. 18.

§ *Vide* Enclosure I in No. 24, F.-4A., 1878.

on behalf of the Government and Colony of New South Wales, to protest against the alteration in the distribution of the postal revenues as proposed in the letter and communication above referred to, and also to express my hope that you may be able to obtain from Her Majesty's Government a reconsideration, and, if possible, a reversal, of the course indicated in the proposed alteration.

2. I am glad to understand, from the terms in which the proposal is conveyed, and especially from the circumstance of its being expressly initiated as a communication from the Lords Commissioners of the Treasury, that apparently Her Majesty's Government have not yet arrived at an absolute decision in the matter, but that the alteration is suggested rather as a course which Her Majesty's Government might possibly think fit to take in dealing with the ocean postal service between Great Britain and the colonies at the close of an existing contract, yet which Her Majesty's Government would not desire to take without due warning to, and opportunity for consideration by and remonstrance from, all parties concerned. It is, therefore, of course, still open to me, pursuant to my instructions, and in fulfilment of the duties of my office, as well as for any other of the parties directly or indirectly concerned, to submit for your information and consideration whatever suggestions or objections they may have to offer in opposition to the proposal in question.

3. I have, accordingly, the honour to submit: 1st, that the proposed alteration in fact amounts to a practical withdrawal on the part of Her Majesty's Government from the general arrangement for ocean steam postal services between Great Britain and the colonies, such as the colonies and other parties to such arrangement had no reason to contemplate; 2nd, that the course indicated by the proposed alteration is inconsistent with the principles involved in the existing arrangement, as well as of such arrangements generally, and which have been virtually assented to and recognized by Her Majesty's Government on entering into such arrangements; and, 3rd, that it is not only unfair to the colonies, but calculated to be injurious to their interests and to those of the empire generally.

4. (1st.) As the proposed alteration now stands in their Lordships' communication, taking into consideration and making due allowance for the progressive reduction in the cost of carriage of letters and packages, both by land and sea, as an element in future calculations, there are good grounds for anticipating that in a year or two Her Majesty's Government would, under the proposed alteration, all else remaining as it is, be actually drawing a surplus revenue. I prefer, however, not allowing myself to suppose that any idea so unworthy of, or inconsistent with, Imperial policy and functions, as that of making a profit out of such a transaction, and drawing a surplus revenue for Great Britain from her Imperial connection with her dependent colonies, could for a moment have been entertained or contemplated by Her Majesty's Ministers in proposing such an alteration. I content myself, therefore, with stating the obvious fact that, to say the least, the result of the proposed alteration will be to fully reimburse the Imperial Treasury for her expenses under the existing arrangement, other things remaining as before. This appears to me, as I have already above suggested, to amount to nothing more or less than a practical withdrawal of Her Majesty's Government, not only from the existing arrangement, but from all such arrangements in future, for ocean steam postal services between Great Britain and the colonies. Indeed it is not easy to conceive how, in proposing such an alteration, either the Lords of the Treasury or Her Majesty's Government can imagine themselves to be parties to such an arrangement at all, or to intend retaining, or to retain, any mutuality in the ocean steam postal services. If Great Britain insist on either making a profit or on reimbursing herself for her expenses out of the proceeds or revenues of these services, might not the colonies as well carry on the services for themselves from both ends without Imperial assistance or co-operation, except, perhaps, that merely nominal assent which would consist simply in not objecting or throwing obstacles in the way—a sort of co-operation which could not be refused, but which would be of very little substantial value, and for which, therefore, the colonies could have no reason to be grateful? This sort of co-operation is always readily obtained from foreign governments, and might easily be obtained from the Government of the United States. And, after all, if pecuniary assistance or contribution be withheld, what benefit are the colonies to derive from, or what does Her Majesty's Government expect to confer by, the assistance or co-operation of the mother-country in such undertakings?

5. (2nd.) It seems to me still more manifest that the proposed alteration is utterly inconsistent with the principles involved in the existing arrangements for ocean steam postal services, and which were virtually assented to and recognized by Her Majesty's Government from the very fact of their having entered into such arrangements. These arrangements were never instituted or entered into with any expectation or intention that they would or could be either profitable or self-supporting. They obviously and necessarily, in their very inception, implied mutual sacrifices on the part of all and every one of the parties concerned, sacrifices which were understood and freely accepted by the colonies and Great Britain, for the benefit, not only of themselves, but of the Empire at large, and which were supposed to be equally so understood and accepted by Her Majesty's Government, not, certainly, for the benefit of any single colony or locality, much less of Great Britain herself considered as an individual section and component part of the Empire. Indeed, from the Imperial position held by Great Britain, it was always supposed that she was prepared to undergo a proportionate, if not a greater, sacrifice than was required from the other parties—proportionate not only to her share of the benefits, but to the duties that position appeared to impose upon her as trustee and guardian of general interests. It is plain, that, by insisting on complete reimbursement for her expenses, she abandons those principles, descends from the high standard of policy she has hitherto maintained in the matter of ocean steam postal services, and abrogates *pro tanto* her Imperial position and functions, in the spirit rather of a trader who refuses to engage in an undertaking or investment until he has, if not assured himself of profit, at least secured himself against the risk of pecuniary loss, than of an Imperial trustee and guardian of great national and general interests.

6. (3rd.) If the above views be correct, it seems easily and necessarily to follow that the proposed alteration is unfair to the other parties concerned in the existing arrangements for ocean steam postal services, and that it must operate injuriously to the interests of the colonies and of the Empire generally. That some understanding of the sort of principles, such as I have assumed to have been mutually assented to and recognized by the parties to existing arrangements, must have been present to the minds of all those

parties when these arrangements were made, is shown by the very reservation, in favor of Great Britain, apparently relied upon by their Lordships as a legal or technical means of escape from the moral liabilities of what, it cannot be denied, are virtual and mutual engagements. No doubt Her Majesty's Government have legally and technically the right to withdraw from and to insist on an alteration of the terms of existing arrangements in their own favour. But how do they possess this right? They possess it by the confidence placed in them by the other parties concerned—that is to say, by the colonies, who submitted to place this reservation in the hands of Her Majesty's Government, considered as Imperial trustee and guardian of national as well as of general rights—certainly not to be used as a means of driving a hard bargain with, and forcing the other parties to agree to another and totally different arrangement, injurious to the latter and advantageous for the former, and wholly at variance with the spirit and principles of the original arrangement. Another proof of the same general understanding, and of the confidence thereby reposed in Her Majesty's Government by the other parties concerned, is to be found in the course taken by all or many of those other parties, in extending the original arrangements over longer periods, and in the formation of collateral contracts which are evident corollaries, as it were, of the original arrangement. By these contracts New South Wales and New Zealand are bound, and must continue to be bound, for many years to come. Of course, if the Imperial Government insist upon full reimbursement for their expenses, a heavier and disproportionate loss and burden will fall upon those colonies which, relying upon the recognition by the Imperial Government of the spirit and principles already above adverted to, have involved themselves in engagements which, equally with their original one, may be fairly assumed to be for the benefit of the Empire generally.

7. I can scarcely find language to express the deep disappointment and alarm with which this proposal of the Imperial Government, involving, as I have endeavoured to show, such pernicious consequences, and such injustice to other portions of the Empire, will be viewed by the Government and Colony of New South Wales. That their feelings will be shared by other Governments and colonies similarly situated may be reasonably assumed. In short, the shock of the proposed alteration will be felt throughout the Empire. And though, doubtless, the sentiments of affection and attachment to the mother-country are capable of the severest trials, yet I cannot but fear that persistence in a policy of the sort involved in the proposal under consideration must eventually put an extreme and dangerous strain even upon the notorious loyalty of British colonies.

8. I enclose herewith printed copies of the correspondence on this subject which has passed through this office up to the present date, and I have the honor to invite your special consideration of the following parts thereof:—

(1.) My letter of the 18th ultimo to the Chief Secretary of New South Wales, with enclosed memoranda by Sir Daniel Cooper, Bart.—to whom, in compliance with the request contained in Mr. Herbert's letter of the 5th ultimo, the correspondence therewith transmitted was communicated—and by Captain Jopp, R.E., Secretary of this Agency.

(2.) My letter of the 2nd instant to the Chief Secretary of New South Wales. These letters and memoranda explain the course which I have thought it my duty to take in this matter, and embody, moreover, certain facts and arguments which may be taken in connection with the remarks which I have now the honor to submit. I may add, that this communication is only apparently at variance with the instructions in the telegram of the 7th instant from my Government—to the effect that I am to take such steps as may seem to me desirable in conjunction with the Agent-General for New Zealand—inasmuch as Sir Julius Vogel and the other Agents-General had already taken a similar course by communicating with you, whereas in the first instance I thought it better to wait for full instructions and authority from my Government. I am of course now prepared, pursuant to the instructions of that telegram, to act in conjunction with Sir Julius Vogel, and I desire to express my concurrence in the steps taken by him and the other Agents-General to the extent of those instructions.

9. In further pursuance of my instructions, I shall now, if it be your pleasure to receive me, be happy to wait upon you at any time that you may appoint for a personal interview.

10. I regret, in conclusion, that the Chief Secretary's telegram of the 7th instant speaks of the matter at issue as a "decision of the Colonial Office." I am not aware what has led in the colony to this inference, which you will observe from the correspondence is not borne out by any communication from this office, nor is it in accordance with the views entertained by myself or expressed in this letter.

The Right Hon. the Secretary of State for the Colonies,
Colonial Office, Downing Street.

I have, &c.,
WILLIAM FORSTER.

No. 51.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 30th August, 1878.

In continuation of my letter of 29th August, I have the honor to forward copy of a telegram Michie. After the receipt, Sir Arthur Blyth, Mr. Forster, Sir Archibald Michie, and I, having taken it from the Hon. the Chief Secretary of Victoria,* which was communicated to me by Sir Archibald into consideration, despatched the telegram of which I also enclose a copy.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

* Vide F.—4A., 1878, No. 27, Enclosures 1 and 2.

No. 52.

The Hon. the COLONIAL SECRETARY, Sydney, to the Hon. the COLONIAL SECRETARY, Wellington.
 SIR,— Sydney, New South Wales, 14th October, 1878.

I have the honor, at the request of my colleague the Postmaster-General, to transmit to you, for the information of your Government, a copy of a minute of that Minister's, concerning the proposed alteration of the arrangements between the Imperial and Colonial Governments for the division of postages on Australasian mails.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,

M. FITZPATRICK.

Enclosure in No. 52.

MINUTE of POSTMASTER-GENERAL concerning Proposed Alteration of the Arrangements between the Imperial and Colonial Governments for the Division of Postages on Australasian Mails.

General Post Office, Sydney, 24th September, 1878.

It appears that, although the Agents-General for the Colonies of Australia and New Zealand have jointly protested against the proposed increase in the amount retainable by the Imperial Post Office out of its receipts on mail matter for transmission by the several services, the Colonial Office still looks for an expression of opinion on the subject direct from the Government of each colony. I do not know that the case for the colonies can be put more forcibly than has already been done for them by the Agents-General, but there are reasons other than those which have been advanced, which in my opinion should induce the Imperial Government to refrain from adopting the proposed change.

The proposal made by Lord Kimberley, in 1873, to convey the mails to and from Galle, Singapore, and San Francisco free of charge, and to account to the respective colonies for the postage on the outward mails, less the British inland rate, was naturally regarded as the outcome of the deliberations of his Cabinet on the obligations of the mother-country in reference to mail communication with her colonies.

The attention of the English Government had been specially directed to this question by the then approaching termination of the contract for the Suez service, and also by the dissension which had arisen respecting the ocean mail services at the Intercolonial Conference held at Sydney, in January, 1873, about which communications had passed between Lord Kimberley and the Colonial Governments. Indeed, all the circumstances could but confirm this impression. Under the arrangement which was then drawing to a close, the English Government had borne one-half of the whole cost of the Australian and New Zealand mails; and when the question of future arrangements was first brought under its notice, it proposed to relieve the colonies of the entire cost of conveying the mails between Galle and England, and to divide equally with them the expense of the service between Galle and Australia, which no doubt would have been a better arrangement, financially considered, for the colonies.

It would be somewhat irrelevant to my purpose to advert in this minute to the causes which led to that proposal falling through. It is sufficient for me to point out that the agreement of 1873, as was shown by Mr. Postmaster-General Monsell, in his letter to the Lords of the Treasury of the 15th May of that year, entailed a smaller charge on the Imperial funds than the one which it superseded, or the one which had been rejected would have involved; and that, as there was nothing in the language in which it was proposed, nor in any subsequent communication from the Colonial Office, suggestive of the idea that it was contemplated to treat the colonies less liberally from the time of its expiration in 1878, the Colonial Governments were justified in relying upon the continuance of no less support towards the maintenance of their ocean services than was then freely and unreservedly conceded.

In view of that agreement, the Government of Victoria entered into a fresh contract for the Suez service. The Governments of New South Wales and New Zealand jointly established the Pacific service, and the Government of Queensland established the Torres Straits service. The contract for the Suez service, which leaves a charge on the revenue of Victoria of about £17,000 per annum, after deducting all the receipts for postages, and taking into account the allowances of the English Government, will not expire till February, 1880. The contract for the Pacific service, which leaves an annual charge of about £22,000 on the revenue of New South Wales, and of £17,000 on the revenue of New Zealand, will not expire till November, 1883. In like manner, the contract for the Torres Straits service, which leaves an annual charge on the revenue of Queensland of about £13,000, will not expire till the 31st October, 1880.

I submit, then, that the proposal now made, that the English postal authorities should after this year retain four-sixths instead of one-sixth of the outward postages on letters for transmission by the Australian and New Zealand mails, contemplates so great a reversal of the policy which has hitherto been pursued in relation to postal matters, as to be in some measure unjust to the colonies which have contracted liabilities for ocean mail services for periods beyond this year.

J. F. BURNS.

No. 53.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 10th October, 1878.

In continuation of former correspondence relative to the Treasury proposals concerning the Australasian Mail Service, I have the honor to enclose you copy of a letter which I have received from the Colonial Office, acknowledging the joint letter addressed to the Secretary of State by the Agent-General for New South Wales and myself, and enclosing copy of a letter addressed by Sir Michael Hicks Beach to Mr. Forster, respecting that gentleman's report to his Government of the interview we had with the Colonial Secretary on the 20th August. I also enclose a copy of my reply to Sir Michael Hicks Beach.

I have, &c.,

JULIUS VOGEL,
 Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 53.

Mr. MEADE to the AGENT-GENERAL.

SIR,— Downing Street, 18th September, 1878.
I am directed by the Secretary of State for the Colonies to acknowledge the receipt of the letter signed by yourself and by the Agent-General for New South Wales, of the 23rd of August, relating to the arrangements connected with the Australasian Postal Service.

I am to acquaint you that a copy of this letter has been forwarded for the consideration of the Lords Commissioners of the Treasury, with the previous correspondence which is now before them.

I am to enclose for your information a copy of a letter which has been addressed to Mr. Forster by Sir Michael Hicks Beach's direction, in regard to a point mentioned in a report made by him to the Government of New South Wales, dated the 20th of August, 1878, of which you are doubtless in possession of a copy.

The Agent-General for New Zealand.

I have, &c.,
R. H. MEADE.

Sub-Enclosure to Enclosure 1 in No. 53.

COLONIAL OFFICE to the AGENT-GENERAL for NEW SOUTH WALES.

SIR,— Downing Street, 18th September, 1878.
I am directed by the Secretary of State for the Colonies to acknowledge the receipt of your letter of the 29th ultimo, enclosing further printed correspondence upon the subject of the proposed changes in the Australasian postal arrangements.

2. Sir Michael Hicks Beach has perused the report which you have made to your Government of the interview which you held with him in reference to this question. He had not considered this interview to be of such a formal nature as to be reported in detail, but as an official character has been given to a conversation in which his object had been only to receive an expression of the views of the Agent-General for New South Wales (who had not been present when the other Agents-General had been received), he desires me, in order to remove any possibility of misapprehension, to observe that in making the remark quoted at page 33 of the print, to the effect that "probably it might be fair that the mother-country and the colonies should bear in equal proportion the losses on the service taken throughout between England and Australia," he was merely stating an idea which occurred to him at the time, and that he did not pledge himself, much less the Government as a whole, to its adoption; inasmuch as the practicability of such an arrangement would of course depend upon the result of calculations not yet before him.

3. I am to take this opportunity of acknowledging the receipt of the letter signed by yourself and by Sir Julius Vogel relating to this matter, dated the 23rd of August, and I am to state that a copy of it has been submitted for the consideration of the Lords Commissioners of the Treasury, in connection with the previous correspondence now before them.

The Agent-General for New South Wales.

I have, &c.,
R. H. MEADE.

Enclosure 2 in No. 53.

The AGENT-GENERAL to the SECRETARY of STATE for the COLONIES.

SIR,— 7, Westminster Chambers, London, S.W., 3rd October, 1878.
I have the honor to acknowledge the receipt of Mr. Meade's letter of the 18th ultimo, informing me that the letter addressed to you by the Agent-General for New South Wales and myself on the 23rd of August had been forwarded for the consideration of the Lords Commissioners of the Treasury, and also enclosing for my information copy of a letter addressed to Mr. Forster by your direction.

With regard to Mr. Forster's reprint of his report to his Government of what passed at the interview we had with you on the 17th of August, it did not occur to me that you meant more by the remark to which reference has been made by Mr. Forster, than that probably if there was a revision of the present arrangement, such a basis as that indicated might be a convenient one. I did not suppose you finally committed yourself to any opinion of the kind. As the question has been raised of what passed at the interview, I enclose you copy of my report* concerning it to my Government.

The Right Hon. Sir Michael Hicks Beach, M.P.,
Secretary of State for the Colonies.I have, &c.,
JULIUS VOGEL,
Agent-General for New Zealand.

No. 54.

His Excellency the GOVERNOR, South Australia, to His Excellency the GOVERNOR, Wellington.

(Telegram.)

Port Elliott, Adelaide, 7th January, 1879.

I HAVE received telegram dated 1st January from Secretary of State, as follows:—"Inform other Governors Treasury at my suggestion continues present division of postage until February eighteen eighty. Despatch follows opening future arrangements."

His Excellency the Governor, Wellington.

GOVERNOR.

No. 55.

EXTRACT from a TELEGRAM from the AGENT-GENERAL to the Hon. the PREMIER.

London, 4th January, 1879.

PRESENT postal division prolonged to February, 1880. Meanwhile despatch sent asking Colonial Governments appoint representatives here confer with Government. * * *

* Vide No. 50.

No. 56.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 19th December, 1878.

I have the honor to acknowledge the receipt of your letters* of 23rd of September and 12th October, referring to the arrangements which have been made in the matter of the collection of postages in the United Kingdom, and to the telegrams which passed between the Agent-General for Victoria and his Government on the subject.

I regret to find that the Government of Victoria did not communicate these telegrams to you. I fully thought they would be sure to do so.

It gives me great pleasure to find that the action I have taken in this matter has received the approval of the Government. The assurance of this approval amply compensates me for the very great anxiety and trouble it has occasioned me.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

No. 57.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 14th January, 1879.

I have the honor to enclose a copy of a despatch† which I have received from the Secretary of State for the Colonies, informing me of the decision of the Lords Commissioners of the Treasury to continue, until February, 1880, the present division of postal receipts between the United Kingdom and the colony. I also enclose a copy of a letter which I have addressed to Sir Michael Hicks Beach, thanking him for the successful support given by him to the claims of the colonies throughout the negotiations of last year.

In view of the further negotiations on the subject which will take place in the course of the present year, I would suggest that a statement should be, without delay, prepared in your department and forwarded to me, containing full particulars of the cost of mail services over a series of years, the bulk and weight of mail matter, the postal revenue therefrom, the cost or gain to general revenue, and any other particulars you may consider it desirable should be urged upon the departments here in the interest of the colony.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 57.

Mr. HERBERT to the AGENT-GENERAL.

SIR,—

Downing Street, 2nd January, 1879.

With reference to previous correspondence, I am directed by the Secretary of State for the Colonies to transmit to you for your information a copy of a telegram‡ which he has sent to the Governor of South Australia, requesting him to inform the Governors of the other Australasian Colonies that the Lords Commissioners of the Treasury have consented to the present arrangement with respect to the division of postal receipts continuing in force until the 1st of February in next year.

A despatch (of which you will receive a copy) will shortly be addressed to the Governors, requesting that their Governments will enable the discussion of the future postal arrangements to take place during the present year, by appointing duly authorized and instructed representatives to confer with Her Majesty's Government.

I have, &c.,

The Agent-General for New Zealand.

ROBERT G. W. HERBERT.

Enclosure 2 in No. 57.

The AGENT-GENERAL to the SECRETARY OF STATE for the COLONIES.

SIR,—

7, Westminster Chambers, London, S.W., 4th January, 1879.

I have the honor to acknowledge the receipt of Mr. Herbert's letter of 2nd instant, informing me by your desire that the Lords Commissioners of the Treasury have consented to the present arrangement with respect to the division of postal receipts continuing in force until the 1st of February, 1880, with a view to the further discussion of future postal arrangements.

I have to return you my sincere thanks for this gratifying communication, and beg at the same time to express my sense of the steady support which the interests of the colonies concerned have received from you in the course of the negotiations which have taken place on the subject.

I have, &c.,

The Right Hon. Sir Michael Hicks Beach, Bart., M.P.,
Secretary of State for the Colonies.

JULIUS VOGEL,
Agent-General for New Zealand.

No. 58.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 29th January, 1879.

In continuation of my letter of the 14th January, on the subject of the prolongation of the existing postal arrangements with the Imperial Government until February, 1880, I have the honor

* Vide F.-4A., 1878, Nos. 25 and 28. † Not received. Forwarded by subsequent mail, vide Enclosure in No. 58.

‡ Vide No. 54.

to forward a copy of a despatch which I have received from the Colonial Office, enclosing print of a circular despatch addressed by Sir Michael Hicks Beach to the Governors of the Australasian Colonies.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 58.

Mr. HERBERT to the AGENT-GENERAL.

SIR,—

Downing Street, 17th January, 1879.

With reference to the letter from this department of the 2nd instant, I am directed by the Secretary of State for the Colonies to transmit to you, for your information, copy of a circular despatch which he has this day addressed to the Governors of the Australasian Colonies, reviewing the position of the postal question, and inviting the Colonial Governments to take part in negotiations for a fresh settlement of the question on the termination of the present arrangements on the 1st of February, 1880.

I have, &c.,

ROBT. G. W. HERBERT.

The Agent-General for New Zealand.

Sub-Enclosure to Enclosure in No. 58.

The SECRETARY of STATE for the COLONIES to the GOVERNORS of the AUSTRALASIAN COLONIES.

SIR,—

Downing Street, 17th January, 1879.

Referring to my circular despatch* of the 1st of July last, respecting the proportion to be retained by Her Majesty's Government in England of the postage receipts on correspondence passing between this country and the Australasian Colonies, I have now the honor to inform you that the Lords Commissioners of the Treasury have, at my suggestion, consented to allow the existing arrangements to continue until the 1st of February, 1880, when the Imperial contract with the Peninsular and Oriental Company expires; so that, during the interval, the whole question of the mail service between this country and the colonies may be fully discussed, and arrangements made as to the terms upon which it is to be conducted in future.

The concession which is thus made in the interest of the colonies will, I feel satisfied, be fully appreciated by your Government, and I trust that they will readily co-operate with Her Majesty's Government in the endeavour to arrive at a satisfactory and permanent settlement of the whole question.

I should remind you that, before 1873, the cost of the Australian service was divided equally between the colonies and the mother-country; the colonies, in conjunction with India, paying their share of the service as far as Point de Galle, and half of the cost of the service between Ceylon and Sydney, which port was then the terminus of the Peninsular and Oriental Company's steamers conveying the mails.

The various colonies being dissatisfied with the manner in which the Peninsular and Oriental Company performed the service between Point de Galle and Sydney, the Imperial Post Office, in deference to their representations, gave notice to the Company to terminate the contract for such service, and the contract consequently expired at the end of the year 1872.

By a letter from the Treasury, dated the 14th August, 1872,† an offer was made through this office on the part of the Imperial Government to convey the Australian mails between this country and Point de Galle free of all cost to the colonies, and to contribute one-half of the expense of a service once every four weeks between Point de Galle and any port in the colonies they themselves might select; such contribution, however, to be limited to £40,000 a year, the colonies, in combination, providing their own packet service between Point de Galle and Australia.

It was also represented that the Imperial Government would be disposed to contribute towards a second service, provided it was alternative with the other, *i.e.*, that there should be sufficient interval between the arrival or departure of the steamers for the purpose of correspondence, and, as the Treasury had been informed that it was the intention of Queensland to establish a line of packets between Brisbane and Singapore, *via* Torres Straits, the Treasury letter also contained an offer to convey the Queensland mails between England and Singapore free of all charge, but expressly declined, on the part of the Imperial Government, to contribute towards the expense of the packet service between Singapore and Queensland.

This offer was followed by a Conference held at Melbourne between delegates from the different colonies, and the result of such Conference was that owing to the rivalry of Victoria and New South Wales, particularly with reference to the question as to whether Melbourne or Sydney should be the port for the arrival and departure of the mails, the colonies were unable to come to any unanimous conclusion. The offer made by the Treasury on the part of the Imperial Government, therefore, fell to the ground. Victoria thereupon made a contract itself with the Peninsular and Oriental Company for the conveyance of mails between Point de Galle and Melbourne; Queensland, a contract for a service between Brisbane and Singapore; New South Wales and New Zealand, for one with San Francisco; and the Treasury, on behalf of the Imperial Government, agreed to carry the mails which might go by the Galle and Melbourne route, free of charge between this country and Galle; those that might be sent by the Singapore and Brisbane route, free of charge between England and Singapore; and those mails which might be sent by the New South Wales, New Zealand, and San Francisco route, free of charge between England and San Francisco.

The Treasury likewise agreed that, besides having these mails carried free of charge between this country and Point de Galle, Singapore, and San Francisco, the colonies should, in consideration of their

* *Vide* F.-4A., 1878, No. 24, Enclosure 2. † *Vide* A.-2., 1873, Enclosure 1 in No. 1.

providing their own packet service between those ports and Australia, &c., receive the whole of the postage on the mails conveyed, excepting only the British inland rate on the correspondence sent from the United Kingdom, and the foreign transit rates paid by the Imperial Post Office on such portion of the correspondence as might be sent, or received, in the mails *viâ* Brindisi.

It was, however, distinctly stipulated that, so far as the Imperial Government was concerned, the arrangement above adverted to should only last for a period of five years, which has now expired. The Treasury, in 1873, decidedly refused to entertain the question of the extension of such arrangements beyond such period; and it was clearly the intention of Her Majesty's Government at that time, that the question of the division of postage between the Imperial and Colonial Post Offices should be reconsidered before any fresh arrangements were come to at the end of such five years.

The offer made by Her Majesty's Government in 1872 contemplated only a service to the Australian Colonies *viâ* Point de Galle, towards which the Imperial Post Office would contribute, but that offer fell through, owing to the differences of opinion as to the terminal port entertained by Victoria and New South Wales. And Her Majesty's Government, in again approaching the subject, are compelled to look upon the postal services with the Australian colonies, &c., as a whole, for I have to draw your attention to the fact that the colonies, by adopting separate services, have entailed upon the Imperial Government a cost greatly in excess of what it would otherwise have been called upon to provide.

It appears, from calculations made by direction of the Postmaster-General, that, under the present arrangement, the charge to the Imperial Government is as follows:—Eastern Sea Service, £58,000; Egyptian Land Transit, £1,700; Atlantic Sea Service, £9,600; United States Land Transit, £15,700. Total, £85,000.

The Lords of the Treasury are unable to approve of so large an expenditure in future, feeling that it is more than is required for the conveyance of the mails in an efficient and adequate manner, and that this multiplicity of services, and the consequently enhanced cost, does in fact result from the inability of the colonies to agree amongst themselves upon any one route for the carriage of their mails. And the time being at hand when the existing arrangements would expire, their Lordships did not find themselves in a position to prolong those arrangements, as desired by the Colony of Victoria, except upon terms which would tend to relieve the Imperial Exchequer, and they resolved, as a simple and fair proposal, that the General Post Office should receive fourpence on each letter, instead of the present inland postage.

The proposal will not be insisted on during the current year, but, in opening fresh negotiations on the mail service, I must point out to you that it is the duty of Her Majesty's Government to deal with the subject with due regard to the interests of the British public, who are not concerned in the maintenance of separate services for the convenience or pleasure of the several colonies; and if it be desired to continue the three services now in existence, *viz.*, Melbourne—Galle, Brisbane—Singapore, and Sydney—San Francisco, or even to start an additional line, as appears to be contemplated in South Australia, it is only reasonable that the cost of maintaining them should be borne by the colonies, and not by the mother-country, which has no voice in the selection of these routes, or in the contracts under which they are worked.

I have, therefore, to request you to lay this despatch without delay before your Ministers, and to inform me whether any negotiations are in progress, or any arrangements made for the carriage of mails after the 1st of February, 1880, from the colony under your government to any place on the homeward route; and I shall be glad if the Agent-General for your colony, or some other person, can be instructed and fully empowered to conduct the subsequent negotiations upon this subject with Her Majesty's Government, and to conclude whatever agreements may be arrived at.

The Officer Administering the Government.

I have, &c.,
M. E. HICKS BEACH.

No. 59.

Mr. McDONNELL to the Hon. the POSTMASTER-GENERAL.

(Telegram.)

Brisbane, 27th March, 1879.

WHAT reply do you propose making to circular from Secretary State, dated seventeenth January, relative to new postal arrangements? Do you not think joint action on the part of the colonies advisable.

The Hon. the Postmaster-General, Wellington.

JNO. McDONNELL.

No. 60.

The Hon. J. T. FISHER to the UNDER SECRETARY, Brisbane.

(Telegram.)

Wellington, 28th March, 1879.

JOINT action desired by Home Government. Think respective Agents-General should represent colonies. Have not yet replied to despatch; will do so by next month's mail. Colonies should contend for better terms than those proposed to be put in force by Imperial Government.

The Under Secretary, Brisbane.

J. T. FISHER,
Postmaster-General.

No. 61.

Mr. McDONNELL to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Brisbane, 29th March, 1879.

Re Secretary of State's despatch 17th January, have been unable to send instructions to Agent-General pending receipt of fuller information from England. Postmaster-General's minute* sent by post.

The Secretary, General Post Office, Wellington.

JNO. McDONNELL,
Under Secretary, Brisbane.

* *Vide* No. 83.

No. 62.

The SECRETARY, General Post Office, Sydney, to SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 3rd April, 1879.

WHAT is weight of your letters and printed matter forwarded to and received from United Kingdom *via* San Francisco? Please state also what is cost conveying homeward mails from New York to Queenstown, and who pays it?

The Secretary, General Post Office, Wellington.

SECRETARY,
Post Office, Sydney.

No. 63.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 4th April, 1879.

FOR year 1878. Despatched to United Kingdom: Letters, 9,448 pounds; printed matter, 46,494 pounds. Received from United Kingdom: Letters, 9,126 pounds; printed matter, 186,386 pounds. Have no positive knowledge what is paid for carriage of our mails from New York to Queenstown, but believe cost the same as paid on mails sent from Queenstown, and that payment made by Imperial Government. Is your department communicating by wire with Mr. Forster as to action to be taken on Secretary State's despatch of 19th January? What are views of your department on despatch?

The Secretary, General Post Office, Sydney.

W. GRAY.

No. 64.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 5th April, 1879.

THANKS for information. Despatch under consideration. Our Government will communicate result.

The Secretary, General Post Office, Wellington.

S. H. LAMBTON.

No. 65.

The SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 10th April, 1879.

WHAT was cost to you of mail service between New Zealand and Frisco, 1878? What was amount of your outward postage, and what did United Kingdom contribute in shape of inward postage? What do you estimate as the loss you sustained on the San Francisco Service? Please reply quickly. Considering proposal Imperial Government *re* division postage. We lose for 1878 £23,198 on Frisco Service. We receive £6,358 from United Kingdom, and estimate our own postage outward at £7,823. Half-share of contribution from non-contracting colonies amounts to £2,870 14s. 9d.

The Secretary, General Post Office, Wellington.

SECRETARY,
Post Office, Sydney.

No. 66.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 10th April, 1879.

FRISCO Service, 1878, cost £40,200. Outward postages estimated £13,300; London postages, £12,900; and share contributions non-contracting colonies, £2,800. Loss to colony, £11,200. No bonus paid Contractors in 1878, and colony's loss would be increased by the sum which may be due.

The Secretary, General Post Office, Sydney.

W. GRAY.

No. 67.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 16th April, 1879.

PLEASE say what England allowed you in 1878 for inland postage *via* Suez and Brindisi, giving amount for each route.

The Secretary, General Post Office, Wellington.

S. H. LAMBTON.

No. 68.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 17th April, 1879.

ESTIMATE to receive on Southampton mails £1,283 and Brindisi £2,273. Nothing receivable Torres Straits line.

The Secretary, General Post Office, Sydney.

W. GRAY.

No. 69.

His Excellency the GOVERNOR, South Australia, to His Excellency the GOVERNOR, New Zealand.
(Telegram.) Adelaide, 1st April, 1879.

RECEIVED following telegram from Secretary of State, London, 31st: "Convenient if your Governments could telegraph instructions on my dispatch, January 17th, last sentence. Please send this to other colonies, except Victoria."

His Excellency the Governor, Wellington.

GOVERNOR.

No. 70.

MEMORANDUM by the Hon. Mr. BALLANCE for His Excellency the ADMINISTRATOR of the GOVERNMENT.

THE enclosed memorandum by the Secretary to the Post Office is, in compliance with the wish of the Postmaster-General, respectfully forwarded to His Excellency the Administrator of the Government, for the purposes of a reply, as far as is at present possible, to the circular dated 17th January, respecting mail services.

Wellington, 26th March, 1879.

J. BALLANCE,
(in the absence of the Premier.)

Enclosure in No. 70.

MEMORANDUM by Mr. GRAY for the Hon. the POSTMASTER-GENERAL.

It will not be practicable to prepare in time for the out-going mail a memorandum for His Excellency the Administrator of the Government, for transmission to the Secretary of State for the Colonies in reply to the attached circular despatch; but it is submitted, with reference to the concluding paragraph of the despatch, His Excellency be informed what arrangements have been entered into by the colony for the carriage of mails after the 1st February, 1880, to any place on the homeward route. The reply is that this colony (in conjunction with that of New South Wales) entered into a contract in 1875, for a period of eight years, for the conveyance of mails between Sydney, Auckland, and San Francisco, and therefore the service does not expire until 1883.

The Secretary of State also desires that some person may be instructed to represent the colony in London, fully empowered to conduct negotiations with Her Majesty's Government, and to conclude whatever agreement may be arrived at in conference, with respect to future postage payments by the Imperial Treasury to the Australasian Colonies in the matter of ocean mail services. The Postmaster-General having decided that the Agent-General shall be empowered to act on behalf of the colony, it is submitted that His Excellency be informed that that gentleman will be appointed, and fully advised of the views of the Government in reference to the circular despatch of the Secretary of State for the Colonies of the 17th January last.*

General Post Office, 22nd March, 1879.

W. GRAY.

REFERRED to the Hon. the Premier for the information of His Excellency the Administrator of the Government.

26th March, 1879.

J. T. FISHER.

No. 71.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 9th April, 1879.

POSTAGE.—Agent-General authorised negotiate Imperial Government. Advocate generally views letter July 24th with most liberal terms possible, and maintaining present payment during Frisco contract.

Sir J. Vogel, London.

G. GREY.

No. 72.

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

(Telegram.)

Sydney, 24th April, 1879.

Re Secretary of State's despatch of seventeenth January.*—We have empowered Agent-General to act for this colony in accordance with request contained in last paragraph. Have you taken any action yet? Have strongly urged claims of colonies to continued aid for existing services.

The Hon. the Postmaster-General, Wellington.

POSTMASTER-GENERAL.

No. 73.

Mr. GRAY to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 25th April, 1879.

In reference to late telegram from Secretary of State, Agent-General instructed by cable to conduct negotiations on behalf of colony in the matter of postage payments. Also informed that Government approved of the views expressed in his letter of 24th July last to Colonial Office. (See our printed papers F-4a., 1878, page 9.) Agent-General also desired to contend for continuance existing postage payments until termination Frisco contract.

The Hon. the Postmaster-General, Sydney.

W. GRAY,
(for Postmaster-General.)

* Vide Enclosure in No. 58.

No. 74.

ACTING CHIEF SECRETARY, Melbourne, to the Hon. the COLONIAL SECRETARY, Wellington.
(Telegram.)

Melbourne, 28th April, 1879.

MR. BERRY has interviewed the Lords of the Treasury, who have consented to reduce the demand of the Imperial share of postage from fourpence to twopence. The Victorian Government have instructed Mr. Berry to accept tender of Peninsular and Oriental Company for fortnightly service.

BRYAN O'LOUGHLIN,

The Hon. the Colonial Secretary, Wellington.

Acting Chief Secretary, Melbourne.

No. 75.

The Hon. J. MACANDREW to the ACTING CHIEF SECRETARY, Melbourne.

(Telegram.)

Wellington, 29th April, 1879.

I THANK you for your telegram of yesterday.

J. MACANDREW,

The Acting Chief Secretary, Melbourne.

(for Colonial Secretary.)

No. 76.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

London, 2nd May, 1879.

TREASURY, consequent upon Graham Berry's stating fortnightly Suez Service Melbourne, Sydney, probable, intimate impound twopence all services after February. Have expressed doubt Berry's authority to act Sydney, or that Sydney favour fortnightly Suez Service. Protested also against change during present Frisco contract. Foster concurring.

The Hon. the Postmaster-General, Wellington.

JULIUS VOGEL.

No. 77.

The Hon. the POSTMASTER-GENERAL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 5th May, 1879.

I have the honor to acknowledge receipt of your letters of the 14th and 29th January last,* with the several enclosures thereto, in further reference to the question of Imperial postages.

I was pleased to learn, from the copy of the despatch addressed by the Secretary of State to the Governors of the Australasian Colonies, enclosed with your communication of the 29th January, that the joint action of the several Agents-General had resulted in the Imperial Government deciding to have the matter fairly discussed by representatives appointed by the several colonies, and fully empowered to conduct negotiations with Her Majesty's Government and to conclude whatever arrangements may be arrived at.

I enclose for your information copy of a telegram dated the 1st ultimo,† received by His Excellency from the Governor of South Australia, together with a copy of the message cabled to you by Sir George Grey on the 9th April, agreeably with the request made by the Governor of South Australia at the instance of the Secretary of State for the Colonies, and I now beg to confirm the authority therein delegated to you.

I enclose for your information copy of a telegram‡ from the Acting Chief Secretary of Victoria, dated the 28th ultimo, intimating that the Lords of the Treasury had consented to reduce the demand of the Imperial share of postage from fourpence to twopence. As further discussion of the matter may therefore be unnecessary, the preparation of the returns asked for in your letter of the 14th January has not been further gone on with, but should you still consider it desirable that the information which would be furnished by the returns should be forwarded your office, I shall have pleasure in directing that the returns be completed and sent you.

I have also to acknowledge the receipt, on the 3rd instant, of your cablegram dated London, the 2nd, a copy of which is enclosed, and to request that you will continue, on behalf of the colony, to protest against the adoption by the Imperial Government of the course indicated in the former part of your telegram, and to use every endeavour to secure for the colony the continuance of the existing rate of payment until the expiration of the present San Francisco Contract. Seeing the extraordinary efforts which have been made by New Zealand during the last fifteen years to establish direct mail communication with the United Kingdom *via* America, the colony's earlier efforts being comparatively unaided by assistance from the Imperial Government, it seems not unreasonable to expect that, now the San Francisco Service is fairly established, the colony should be allowed to reap the benefits of its perseverance and enterprise, without the service being again rendered so costly as to become a heavy burden on the revenue of the colony. Without in any way indicating that the amended proposal of the Imperial Government is not a fair and equitable one to the colonies, I am still of opinion that the existing rate of postage payment should not be disturbed until the expiration of the present San Francisco Contract. I trust your representations to the Imperial Government may ultimately induce Her Majesty's Treasury to make this concession in favour of New Zealand.

I have, &c.,

The Agent-General for New Zealand, London.

J. T. FISHER,

Postmaster-General.

* *Vide* Nos. 57 and 58. † *Vide* Nos. 69 and 71. ‡ *Vide* No. 74.

No. 78.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 7th May, 1879.

FOLLOWING telegram dated London, 2nd May, received from Agent-General on Saturday last:—
 "Treasury consequent upon Graham Berry's stating fortnightly Suez Service, Melbourne, Sydney probable, intimate impound twopence all services after February. Have expressed doubt Berry's authority act Sydney, or that Sydney favour fortnightly Suez Service. Protested also against changes during present Frisco contract. Forster concurring." Sir Bryan O'Loughlin also telegraphed the Colonial Secretary that, consequent upon interview Mr. Berry had with Lords of the Treasury, they had consented to reduce their demand for Imperial share of postage from fourpence to twopence. Postmaster-General is of opinion Agents-General should continue to urge our claims for continuance existing payments until expiry Frisco Contract. Postmaster-General would also be glad to be informed whether Mr. Berry was acting with authority on behalf your colony.

Secretary, Post Office, Sydney.

W. GRAY.

No. 79.

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

(Telegram.)

Sydney, 8th May, 1879.

THIS Government no party to arrangement made by Mr. Berry for fortnightly service *via* Suez. We contend, like yourself, for continuance of present contribution to Frisco Service until termination of contract.

The Hon. the Postmaster-General, Wellington.

POSTMASTER-GENERAL.

No. 80.

His Excellency the GOVERNOR of SOUTH AUSTRALIA to His Excellency the GOVERNOR of NEW ZEALAND.

(Telegram.)

Adelaide, 15th May, 1879.

RECEIVED following telegram from Secretary of State:—"London, 13th May.—Inform other Governors Treasury will continue present arrangement carriage of mails; but after 1st February next will retain twopence instead of penny.—HICKS BEACH."

GOVERNOR.

No. 81.

Mr. GRAY to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 24th May, 1879.

I am directed by the Hon. the Postmaster-General to forward for your information copy of a circular telegram addressed by the Secretary of State for the Colonies, on the 13th instant, to the Governors of the several Australian Colonies through His Excellency the Governor of South Australia, from which you will observe that it is the intention of the Imperial Government to continue the existing arrangement in the matter of the Imperial postages until the 31st of January, 1880, and thereafter to retain twopence instead of one penny per half-ounce rate. This telegram should in no way affect the instructions contained in the Postmaster-General's letter of the 5th instant, a copy of which, together with the enclosures thereto, is forwarded to you by the present mail.

The Hon. Mr. Fisher is at present, I regret to say, suffering from severe indisposition, and is unable, in consequence, to deal with the decision expressed in the telegram, but will communicate with you thereon by the ensuing mail.

I have, &c.,

W. GRAY,
Secretary.

Agent-General for New Zealand, London.

No. 82.

The Hon. J. T. FISHER to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 2nd June, 1879.

I have the honor to forward herewith copy of a telegram* dated the 2nd ultimo, addressed by yourself to the Hon. the Postmaster-General, in further reference to the question of the Imperial postages, together with copy of the telegram sent upon receipt thereof to the New South Wales Government, and of the reply furnished thereto; from which latter you will perceive that your surmise as to the New South Wales Government being no parties to the fortnightly Suez contract recently entered into by the Victorian Government was not unfounded.

I have, &c.,

J. T. FISHER.

Agent-General for New Zealand, London.

* *Vide* Nos. 76, 78, and 79.

No. 83.

Mr. McDONALD to the SECRETARY, General Post Office, Wellington.

SIR,— Postmaster-General's Department, Brisbane, 29th April, 1879.

I am directed to forward, enclosed herewith, copy of the minute by the Postmaster-General of this colony on the circular despatch addressed by the Secretary of State for the Colonies, under date the 17th January, 1879, relative to the proposed retention of postages (as per telegram of this day's date).*

I am also directed to request you to be good enough to treat it as confidential until laid before the Parliament of this colony.

I have, &c.,

JOHN McDONALD,
Under-Secretary.

The Secretary, General Post Office, Wellington.

Enclosure in No. 83.

MINUTE by the POSTMASTER-GENERAL on the Circular Despatch addressed by the Secretary of State for the Colonies to the Governor of Queensland, under date 17th January, 1879, relative to the Proposed Retention of Postages.

IN this communication it is intimated that, owing to the rivalry of the colonies and the adoption of separate mail routes, an expense has been entailed upon the Imperial authorities greatly in excess of the amount which they would otherwise have been called upon to provide; and, as the existing contract with the Peninsular and Oriental Company for the conveyance of Eastern mails terminates in February, 1880, notice is given that the existing arrangements cannot be prolonged after that date except upon terms which will tend to relieve the Imperial Exchequer.

The Lords of the Treasury therefore make "as a simple and fair proposal that the General Post Office should receive 4d. on each letter, instead of the present inland postage;" and the Secretary of State will be glad if the Agent-General for this colony or some other person "can be instructed and fully empowered to conduct the negotiations on this subject with Her Majesty's Government, and to conclude whatever agreements may be arrived at."

This proposition obviously re-opens the whole question of Australian postal communication, because, in the absence of calculations and adjustments, it bears the appearance of an arbitrary and capricious demand. It means that, instead of retaining 1d. of the postage collected on each letter despatched from England to Australia, the General Post Office shall receive 4d. The additional charge thus sought to be imposed upon the colonies has been estimated at about £27,500 a year, reducing the total Imperial contributions on account of the three existing services to £57,500, and increasing the Queensland contribution by some £2,500 a year.

In reviewing past negotiations and agreements, the Secretary of State points out that before 1873 the cost of the Australian service was equally divided between the mother-country and the colonies, and that this arrangement was terminated not because the Imperial contribution was deemed excessive, but because the various colonies were dissatisfied with the manner in which the Peninsular and Oriental Company performed the service. It may be inferred, therefore, that an equal division of the cost of any single service that might be hereafter agreed upon would still be deemed satisfactory by the Imperial authorities, and that the new proposal is made solely because of what is held to be the needless outlay resulting from an undue multiplication of services.

It cannot be denied that the expense of Australian mail conveyance is excessive. The following table shows approximately the total payments:—

	By Imperial Government.	By Colonies.
Melbourne-Galle	£59,700	£90,000
Brisbane-Singapore† ... ..	...	£20,000
Sydney-San Francisco	£25,300	£72,500
	<hr/>	<hr/>
	£85,000	£182,500

Estimating the gross postages at £100,000 per annum—viz., British receipts at £8,300, and colonial at £91,700,—the net cost of Australian mail conveyance approximately is £167,500,—viz., to the mother-country £76,700; and to the colonies £90,800. From which it appears that under the existing arrangements the mother-country is chargeable with considerably less than its moiety of the contributions, and that, were the Secretary of State's proposition agreed to, the net cost of Australian mails to the mother-country would be only £49,000, while the revenues of the colonies would be charged with £118,000.

It is true, however, that were all the mails transmitted by the Eastern route the Imperial Exchequer would be relieved to a considerable extent, while a much greater saving would be effected by the colonies. The Sydney-San Francisco service, even with the recent modification, involves an outlay, including Atlantic sea and American land transit charges, of £97,800 per annum. This, it must be conceded, is greatly in excess of the value of the postal facilities conferred by that service. The effect of the contract with the Pacific Mail Steamship Company apparently is to subsidize American shipowners with British money, and, by inducing low freights between San Francisco, Auckland, and Sydney, to foster at British expense the trade of a foreign country whose tariff excludes English manufactures from its markets.

A similar objection cannot be taken to the Torres Straits service. It has heretofore cost the mother-country nothing, while the subsidy for which Queensland has been alone responsible has not appreciably exceeded the contribution that would have been otherwise paid for participation in the

* Vide Enclosure in No. 58. † Torres Strait mails are conveyed by the China packets between Ceylon and Singapore, and therefore are assumed to involve the Imperial Government in no additional expense.

other services, in addition to the expense of special conveyance of English mails coastwise. At the same time, the benefits of the Torres Straits service have been important in an Imperial as well as a colonial aspect.

It has maintained direct intercourse between the British settlements in India, China, the Eastern Archipelago and the several Australian Colonies. It has supplied monthly communication with the Harbour of Refuge at Thursday Island, a portion of the cost of supporting which has been borne by the Imperial authorities. Its maintenance has not been dependent upon the goodwill of a foreign Power, and, although economical considerations have prevented the adoption of a high rate of speed, it has been frequently availed of by the southern colonies as an alternative service. The contract with the Eastern and Australian Mail Steamship Company expires in October, 1880, and already this Government has instructed its Agent-General to invite tenders for a new contract with a higher rate of speed, viz., 10 knots, which it is believed will be obtained by a very moderate addition to the subsidy.

It is admitted, however, that a speed of 10 knots will be insufficient to make the Torres Straits service a satisfactory alternating one. But with an 11-knot service between Singapore, Brisbane, Sydney, and Melbourne, even the last-named port would be brought within 50 days of London by that route, while, in the absence of the Torres Straits service, fortnightly communication by one or both the other routes would place all the principal ports on the Queensland coast-line at an obvious disadvantage.

Were concerted action determined upon with that object, it is believed that the colonies might obtain fortnightly communication with Europe by alternating services, *via* Melbourne and Torres Straits, at a total cost not exceeding £150,000 per annum. Estimating the gross postages at £100,000, the net cost would therefore be only £50,000 a year, which, equally divided between the mother-country and the colonies, would be an insignificant outlay for postal accommodation of such a character.

I think the Agent-General should be instructed to earnestly press these considerations upon the attention of the Imperial authorities. Also that he should repeat his protest against the proposed retention of postages, on the ground that this colony ought not to be called upon to bear a share of the burden of a foreign mail service from which it derives little benefit, and which it has no special interest in maintaining. He might add that this Government is desirous of assisting to preserve concerted action between the colonies and the mother-country in this matter, but it holds that, if for economical reasons, the Imperial authorities desire to modify their postal arrangements with the colonies, the question should be considered in all its bearings before any additional charge is thrown upon colonial revenues.

Postmaster-General's Office, Brisbane, 9th April, 1879.

C. HARDIE BUZACOTT.

No. 84.

Mr. GRAY to the UNDER SECRETARY, General Post Office, Brisbane.

SIR,—

General Post Office, Wellington, 10th June, 1879.

I am directed by the Hon. the Postmaster-General to acknowledge with thanks the receipt of your letter of the 29th April last, forwarding a copy of the minute of the Postmaster-General of your colony on the circular despatch addressed by the Secretary of State for the Colonies under date of the 17th January last, relative to the proposed retention of postages by the Imperial Government. The paper will, as requested, be treated as confidential until laid before your Parliament.

I have, &c.,

W. GRAY,
Secretary.

The Under Secretary, General Post Office, Brisbane.

No. 85.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 8th May, 1879.

I have the honor to forward to you a copy of correspondence concerning the detention of postage-money by the Imperial Government. I send you also copy of a telegram* which I thought it desirable to communicate to you on the subject.

I hope the arguments I have used will meet with your approval.

I am glad to say that Mr. Forster, the Agent-General for New South Wales, is co-operating with me.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 85.

Mr. HERBERT to the AGENT-GENERAL.

SIR,—

Downing Street, 29th April, 1879.

With reference to previous correspondence respecting the Australian postal question, I am directed by the Secretary of State for the Colonies to inform you that he has received a letter from the Lords Commissioners of the Treasury, intimating that, on being informed by Mr. Berry that he had reason to believe that a fresh contract might be made with the Peninsular and Oriental Company for a fortnightly service both to Melbourne and Sydney, touching at King George's Sound and South

* *Vide* No. 76.

Australia, on terms which would be advantageous as compared with the existing rate, they are prepared, under such circumstances, so far to modify their previous decision on the subject as to agree that the Australian mails shall, as at present, be conveyed free of charge to the colonies between this country and Point de Galle or Colombo (in the event of the latter port being made the port of call for Ceylon), on the condition that the Imperial Post Office shall, after the 1st of February next, when the present arrangement will expire, receive twopence in lieu of one penny as at present on the outward correspondence, which may be considered as equivalent to the inland rate on both the homeward and the outward correspondence.

This arrangement would, of course, apply equally to the correspondence conveyed under other contracts *viâ* Singapore and San Francisco.

The Agent-General for New Zealand.

I have, &c.,
ROBT. G. W. HERBERT.

Enclosure 2 in No. 85.

The AGENT-GENERAL to the UNDER SECRETARY of STATE for the COLONIES.

SIR,— 7, Westminster Chambers, London, S.W., 30th April, 1879.

I have the honor to acknowledge the receipt of your letter of the 29th instant, in which you intimate to me that on Mr. Berry informing the Lords Commissioners of the Treasury that a fresh contract might be made with the Peninsular and Oriental Company for a fortnightly service both to Melbourne and Sydney, they have agreed to modify their previous decision so far as to be willing to carry the mails between this country and Ceylon for double the rate now charged—namely, twopence instead of a penny, and that this proposal would equally apply to the colonial mails carried by way of San Francisco.

In reply, I have to say that I doubt if Mr. Berry has any authority to act for the Government of New South Wales. Until November, 1883, New South Wales and New Zealand are jointly concerned in a contract for the carriage of mails *viâ* San Francisco. By an arrangement which has been made between the several colonies, each has been able to use the various mail routes without necessarily being a party to the contracts. Victoria has thus used the San Francisco route, whilst New South Wales and New Zealand have used the monthly service *viâ* Ceylon. A fortnightly service by the latter route would throw on the two last mentioned colonies a heavier cost for the San Francisco service, inasmuch as it would lessen the use made of it by Victoria. It is exceedingly improbable that, pending the continuation of the San Francisco service, the Government of New South Wales would entertain any arrangement for the establishment of a fortnightly service by Suez.

In any case, however, I have to urge most earnestly the claim of my Government and that of New South Wales to a continuance of the recent arrangement, so far as relates to the carriage of mails by San Francisco, until that contract expires in November, 1883. The two Governments, when they entered into the contract, did so with the full persuasion that the Imperial Government would not increase the charge for which they had agreed to make the connections with San Francisco.

In my letter of 24th July last, to the Secretary of State for the Colonies (copy enclosed*), I showed at length that the transit of the mails to and from San Francisco did not cost the Imperial Government a larger sum of money than when the agreement was entered into with the colonies to carry those mails. On the other hand, the two colonies interested pay a very large sum for the service, and they will feel it to be a want of consideration to them that the terms should be increased during the currency of the service. I trust, therefore, without reference to the arrangements made for other services, or those to follow the conclusion of the present San Francisco Contract, that until the present contract expires the present arrangement will be allowed to continue.

I am happy to state that the Agent-General for New South Wales concurs in these views.

The Under Secretary of State for the Colonies.

I have, &c.,
JULIUS VOGEL,
Agent-General for New Zealand.

Enclosure 3 in No. 85.

Mr. BRAMSTON to the AGENT-GENERAL.

SIR,— Downing Street, 5th May, 1879.

I am directed by the Secretary of State for the Colonies to acknowledge the receipt of your letter of the 30th April, requesting that the present arrangements for the carriage of mails *viâ* San Francisco may be continued until the contract for that service expires in November, 1883.

In reply, I am to inform you that a copy of your letter has been forwarded to the Lords Commissioners of the Treasury, and that a further communication will be addressed to you upon the subject.

The Agent-General for New Zealand.

I have, &c.,
JOHN BRAMSTON.

* *Vide* Enclosure 4 in No. 24 of F.—4A., 1878.

