

The contract provides for shipping freight from London at a certain rate, but clearly no provision was made for dealing with exclusive cargoes of heavy material. To force on the Company to provide ships for carrying such cargoes on the terms provided in the contract, would be harsh, and entail on it heavy losses.

The Government also benefits, though in a lesser degree, by making other arrangements for the carriage of these cargoes. The manager of the Company here never denied that it would not suit them to carry exclusive cargoes of rails from London at contract rates. He willingly waived the provision, but contended that, in making other arrangements, I should employ the Company as agents. I agreed to so employ them, and so far there was no difference between us. But I found that in that capacity they did not act to advantage, and I claimed the right of employing other agents, or else of keeping them to their contract. It has been represented to me that their object in insisting upon acting as agents is not so much one of profit, as to keep out of the field owners who are exceedingly anxious to enter the New Zealand trade. Supposing this to be the case, it is not difficult to understand why the Company are not efficient agents in providing me with shipping to the best advantage. But, whether it is the case or not, the point is still undecided, am I to be bound to take ships from the outports on the terms they choose, or am I to save public money by making the best arrangements possible. There is no question of breaking the contract. The real question is, may I deal with the Company under the contract to the best advantage, or does the Government recognize some implied engagement which prevents my doing so. My view is to say to the Company, either provide ships to carry full cargoes of rails from London, as provided by the contract, or leave me to make other arrangements. Their desire—and a very natural one it is—is to do neither one thing nor the other: they do not wish to carry the rails from London, nor that I should make other arrangements.

I should be glad if you will instruct me distinctly, am I to make these arrangements through the Company provided they offer me better terms than shipment from London under the contract, and irrespective of whether I could do better by making the arrangements myself. If such is your view, I have not the least desire to object. It is no part of my duty to enforce my opinions against those of the Government. Personally, I am glad to be able to show the Company my consideration, for they do their work well, and their fleet is a credit to the colony.

I have, &c.,

JULIUS VOGEL,
Agent-Général.

The Hon. the Minister for Immigration, Wellington.

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