

as between the contributing Colonies, and those Colonies that refuse to contribute, I am desired by His Excellency Sir John Young to express the anxiety of this Government to continue in association with New Zealand in carrying out this important service.

The Hon. the Colonial Secretary, New Zealand.

I have, &c.,

HENRY PARKES.

Enclosure 1 in No. 41.

COPY OF ARTICLES OF AGREEMENT.

Articles of Agreement made and entered into the _____ day of _____ in the year of our Lord 1866, between His Excellency the Right Honorable Sir John Young, Baronet, Knight Commander of the Most Honorable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Captain-General and Governor-in-Chief of the Colony of New South Wales and Vice Admiral of the same, [acting herein for and on behalf of the Government of the said Colony,] of the one part, and His Excellency Sir George Grey, Knight Commander of the Most Honorable Order of the Bath, Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, and Vice Admiral of the same, [acting herein for and on behalf of the Government of the said last-mentioned Colony,] of the other part.

Whereas, by a certain letter or memorandum in writing, dated the tenth day of March, one thousand eight hundred and sixty-five, and signed by Isaac Earl Featherston, the agent for that purpose duly authorized by the Government of New Zealand, and by a certain other letter or memorandum in writing dated the twenty-second day of April, one thousand eight hundred and sixty-five, and signed by the Honorable Charles Cowper, the Colonial Secretary of the Colony of New South Wales, it was agreed between the said Isaac Earl Featherston, as such agent as aforesaid, and the said Charles Cowper, on behalf of the Government of New South Wales, that a certain postal service theretofore contracted for between the Postmaster-General of the Colony of New Zealand and the agent of "The Panama New Zealand and Australian Royal Mail Company (Limited)," for the carriage of Her Majesty's Mails between England and New Zealand by way of Panama and *vice versa*, should be extended for the benefit of the said Colony of New South Wales upon the terms in the said letters or memoranda respectively mentioned or referred to.

And whereas by certain articles of agreement intended to bear even date with these presents and be made between the said Sir George Grey, Governor, *

Provision has been made for extending the said postal service for the benefit of the said Colony of New South Wales upon terms and conditions approved of by the Government of the said Colony, and it has been arranged that the terms and conditions upon which as between the Colony of New Zealand, and the Colony of New South Wales, the said Postal Service is so extended should be set forth in [or expressed in] and ratified by these presents: Now these presents witness that the said Sir George Grey, Governor, as aforesaid, by and with the advice and consent of the Executive Council of the Colony of New Zealand, doth hereby [for and on behalf of the Government of the said Colony], agree with the said Sir John Young, Governor, as aforesaid, [representing and in this agreement acting on behalf of the] Colony of New South Wales: And the said Sir John Young, Governor, as aforesaid, by and with the advice and consent of the Executive Council of the said Colony of New South Wales [for and on behalf of the Government of the said] Colony doth hereby agree with the said Sir George Grey, Governor of the Colony of New Zealand, [representing and in this agreement acting on behalf of] the said last mentioned Colony as follows:—

[That the said letter or memorandum in writing, dated the eleventh day of March, A.D. 1865, and the said other letter or memorandum in writing dated the twenty-second day of April, A.D. 1865, and this present memorandum of agreement, shall be considered as together constituting the agreement between the Governments of New Zealand and New South Wales, under which the rights and liabilities of the said Governments in respect of or in relation to the said Mail Service are defined, the said memoranda and these presents being read as constituting one agreement: Provided that these presents shall be considered in respect to any proviso stipulation or agreement in which they may differ from the said memoranda, as expressing the final intention of the parties hereto.]

That the services provided for by the said articles of even date herewith shall be continued until the expiration of the period by the said articles, provided unless in the meantime it shall be agreed between the Government of New South Wales and the Government of New Zealand that notice should be given for an earlier termination thereof.

That so long as the Government of the Colony of New South Wales continue to be interested in and participate in the said contract no future or other contract shall be entered into with the said Company for such services as are in and by the said articles of even date with these presents mentioned and provided for [nor shall the said contract be varied or altered in any respect] without the [concurrence] of the Government of New South Wales, testified by writing under the hand of

first had and obtained, and no contract, agreement, or arrangement with the Imperial Government or with any Foreign or other Colonial Government, in any wise affecting the services so provided for, shall be made or entered into by either the Government of New Zealand or the Government of New South Wales without the [concurrence] of the other of them.

That during the continuance of the service provided for by the said articles of even date herewith the [said] Colony of New South Wales shall pay or contribute towards the expense of such service the sum of £ _____ by equal monthly instalments of £ _____ per month.

The alterations and additions proposed by the New South Wales Government are shown within brackets.