

# FURTHER PAPERS

RELATIVE TO

# THE PANAMA MAIL SERVICE.

*(In continuation of Papers presented 9th October, 1867.)*

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PRESENTED TO BOTH HOUSES OF THE GENERAL ASSEMBLY, BY COMMAND  
OF HIS EXCELLENCY.

---

WELLINGTON.

—  
1868.

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RELATING TO THE PANAMA MAIL SERVICE.

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## FURTHER PAPERS RELATIVE TO THE PANAMA MAIL SERVICE.

### No. 1.

Copy of a Letter from the COLONIAL SECRETARY, New South Wales, to the Hon. E. W. STAFFORD.

Colonial Secretary's Office, Sydney,

SIR,—

New South Wales, 19th September, 1867.

Referring to previous correspondence on the subject of the undertaking between this Colony and New Zealand, to establish steam communication with Europe and America by way of the Isthmus of Panama, I am now directed by His Excellency Sir John Young to transmit to you, in duplicate, Articles of Agreement, for a term of five years from the first January, 1866, the date fixed for the commencement of the service by Dr. Featherston's letter to Mr. Cowper under date the 10th March, 1865, and to inform you that this Government is prepared to execute such Agreement.

2. The instrument now submitted for execution is in accordance with the form of Agreement revised and settled by Mr. Crosbie Ward and myself in December last, with the addition of the necessary words prescribing the term of its duration.

3. At the request of Mr. Crosbie Ward, the contract proposed to be entered into between New Zealand, and the Panama New Zealand and Australian Royal Mail Company, has been examined by the law officers of this Colony, with the view of seeing whether it will fully cover the rights and powers to be conferred by the agreement between the two Governments. I have to point out that while our agreement requires the Panama steamers to come on to Sydney with their mails, the contract as now framed does not give the Government of New Zealand the necessary power to insist upon this condition, you will doubtless see that the contract is amended in this particular.

4. As His Excellency Sir John Young is about to retire from the Government of the Colony, and will certainly leave for England early in November, and as it is obviously desirable that the Agreement should be completed before the arrival of a new Governor, who will necessarily be a stranger to the negotiations which have led to it, may I request your immediate attention to the subject; when the Agreement has been executed by His Excellency Sir George Grey, and returned in that shape to Sydney, no delay will be allowed to take place in its completion.

The Hon. the Colonial Secretary, New Zealand, Wellington.

I have, &c.,

HENRY PARKES.

### No. 2.

Copy of a Letter from the Hon. JOHN HALL to the COLONIAL SECRETARY, New South Wales.

Colonial Secretary's Office,

SIR,—

Wellington, 9th October, 1867.

I have the honor to acknowledge the receipt of your letter No. 211, of the 19th ultimo, transmitting in duplicate Articles of Agreement between the respective Colonies of New South Wales, and New Zealand, in reference to the contract for the establishment of Steam Postal Communication with Europe and America by way of Panama.

I observe that by the addition made to the form of Agreement settled between Mr. Crosbie Ward, and yourself, the termination of the Agreement is fixed for the 1st of January, 1871. And I would point out that this limitation would not be consistent with the spirit of the arrangement made between the two Colonies, which provided for equal shares in the advantages and obligations of a contract for a five years' service, but as the contract did not actually commence until the 15th of June, 1866, it will not expire until the 15th June, 1871.

Under ordinary circumstances it would have been desirable that this point should have been discussed and settled before the Agreement itself was signed, but as special circumstances, stated by you, require the immediate execution of the Agreement, and under the full assurance of the desire of the Government of New South Wales to give full effect to the spirit of the arrangement, this Government has thought it advisable that the Agreement should be made terminable at the same time as the contract with the Panama New Zealand and Australian Royal Mail Company. I do not doubt that you will admit the reasonableness of this alteration.

It is not probable that any further alteration will be considered essential, but if such should be the case, it can form the subject of future correspondence.

I enclose the Agreements in duplicate signed by His Excellency Sir George Grey, and have to request that when they are completed by the signature of His Excellency Sir John Young, one may be returned to me.

The Hon. the Colonial Secretary, New South Wales.

I have, &c.,

JOHN HALL,  
(for the Colonial Secretary.)

### No. 3.

Copy of a Letter from the COLONIAL SECRETARY, New South Wales, to the Hon. E. W. STAFFORD.

Colonial Secretary's Office,

SIR,—

Sydney, 1st November, 1867.

I have the honor to acknowledge the receipt of your letter of the 9th ultimo, returning the Articles of Agreement (in duplicate) between this Government, and the Government of New Zealand,

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for the maintenance, for a term of five years, of the Panama Steam Postal Service, with the signature of His Excellency Sir George Grey, and the Public Seal of New Zealand attached thereto.

2. This Government has considered the reasons advanced by you for altering the date of the termination of the agreement between the two Colonies, with the view of making the period of its operation consistent with the actual commencement of the service, which you urge is necessary to give effect to the spirit of the arrangement. In view of all the circumstances, as fairly stated by you, the Government of this Colony consents to the Agreement, in the form in which it has been executed by New Zealand.

3. I am now directed by His Excellency Sir John Young, to transmit to you the Agreement duly executed by the Government of the two Colonies.

The Hon. the Colonial Secretary of New Zealand, Wellington.

I have, &c.,  
HENRY PARKES.

## Enclosure in No. 3.

ARTICLES OF AGREEMENT made and entered into the ninth day of October, in the year of Our Lord one thousand eight hundred and sixty-seven, 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, and the Panama New Zealand and Australian Royal Mail Company (Limited), provision has been made amongst other things, 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 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 tenth day of March, one thousand eight hundred and sixty-five, and the said other Letter or Memorandum in writing, dated the twenty-second day of April, one thousand eight hundred and sixty-five, 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 Agreement, between the said Sir George Grey and the said Panama New Zealand and Australian Royal Mail Company, 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 contracts 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 the Colonial Secretary of New South Wales first had and obtained; and no contract, agreement or arrangement with the Imperial Government, or with any foreign or other Colonial Government in anywise 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 consent 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 fifty-five thousand pounds, by equal monthly instalments of four thousand five hundred and eighty-three pounds six shillings and eight pence per month.

That the payment of the premiums by the Articles hereinbefore mentioned provided to be paid to the said Company in certain cases, shall be borne by the Colony of New Zealand. And the Colony of New Zealand shall be entitled to the penalties or forfeitures by the Company so provided if any shall arise:

That during the continuance of this Agreement the port of Sydney shall be the western terminus of the said mail service, to which all the said Company's steamers conveying mails for the Governments of New Zealand and New South Wales, shall come as their final port of discharge on the voyage from Panama, and from which the said Company's steamers shall start on the return voyage to Panama, it being the intention of the parties hereto that the mails carried for the New South Wales Government shall at all times be delivered in the Port of Sydney by the vessel on board of which they shall be shipped at Panama, and at Panama by the vessel on board of which they shall be shipped at Sydney:

That, until otherwise provided by mutual agreement, the Government of New Zealand shall not permit or suffer any letters, newspapers, book parcels, or other things ordinarily carried by post which may be received at any port or place in New Zealand, from or through any Colony which does not, by arrangement with the said Governments of New Zealand and New South Wales, contribute to the amount paid by the said Governments to the said Company for the said mail service, to be conveyed by the said Company's steamers, either as a distinct mail, or portions of a mail, forwarded by such steamer, or as a portion of any mail made up of letters, newspapers, or book parcels, posted in New Zealand; but shall, in the event of any letters, newspapers, or book parcels posted at New Zealand to be carried by such mail, bearing the postage mark or stamp of any Colony not contributing as aforesaid, exclude such letters, newspapers, and book parcels from the said mail.

All mails made up for transmission by this mail service from any port or place in Tasmania, or in any port or place in any of the Colonies of Australia not contributing to the subsidy to be paid by the Colonies of New Zealand and New South Wales to the said Company for the said mail service shall, unless otherwise provided by mutual agreement, be forwarded to the port of Sydney for transmission by the said mail service, at which port the sea postage in respect thereof will have to be paid, and shall not be received in any port or place in New Zealand to be forwarded from thence.

The Government of New Zealand shall, at the expiration of each and every month during the continuance of this Agreement, furnish to the Government of New South Wales a return specifying the number of all letters, newspapers, and book parcels forwarded from New Zealand by the mail steamer during the month, and a like return shall, at the expiration of each month, be forwarded by the Government of New South Wales to the Government of New Zealand:

Provided always that if the Panama New Zealand and Australian Royal Mail Company shall in any particular fail to observe, perform, and keep all and every the terms and conditions of the said hereinbefore recited Articles of Agreement, or if the Government of New Zealand shall not in all things perform, observe, and keep all and every the agreements contained in these presents according to the true intent and meaning hereof, it shall be lawful for the Governor for the time being of the Colony of New South Wales, on behalf of the Government of the said Colony, by notice in writing under his hand directed to the Governor for the time being of the Colony of New Zealand, to terminate this Agreement, whereupon all liability of the said Colony of New South Wales to contribute to the expenses of the said postal service shall at once and from henceforth absolutely cease and determine as if the said Memoranda, signed by the said Isaac Earl Featherston and Charles Cowper respectively, and these presents had not been signed or entered into.

This Agreement shall, unless previously terminated under the provisions hereof, continue in force until the first day of July, in the year of our Lord one thousand eight hundred and seventy-one, and no longer.

In witness whereof the said Sir John Young, acting as aforesaid, hath hereto set his hand, and caused the seal of the Colony of New South Wales to be affixed; and the said Sir George Grey, acting as aforesaid, hath hereto set his hand, and caused the seal of the Colony of New Zealand to be affixed the day and year first before written.

Signed by His Excellency the Right Honorable Sir John Young,  
Baronet, K.C.B., G.C., M.G., and the Seal of the Colony of  
New South Wales affixed in my presence,

HENRY PARKES,  
Colonial Secretary, New South Wales.

JOHN YOUNG.

(The Seal of New  
South Wales.)

Signed by His Excellency Sir George Grey, K.C.B., and the  
public Seal of the Colony of New Zealand affixed in my  
presence,

JOHN HALL,  
Postmaster-General of New Zealand.

G. GREY.

(The Seal of New  
Zealand.)

#### No. 4.

Copy of a Letter from the Hon. E. W. STAFFORD to the COLONIAL SECRETARY, New  
South Wales.

Colonial Secretary's Office,  
Wellington, 18th November, 1867.

SIR,—

I have the honor to acknowledge the receipt of your letter No. 6338, of the 1st instant, enclosing the Agreement duly executed between the Colonies of New South Wales and New Zealand, for the maintenance for a term of five years of the Panama Steam Postal Service.

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I must again call your attention to the circumstance, that the draft contract to be entered into by this Government with the Panama New Zealand and Australian Royal Mail Company, which was left with you by Mr. Crosbie Ward, and which has been repeatedly requested to be transmitted here, has not yet been received. And I would again urge on you the importance of its immediate transmission.

The Colonial Secretary, New South Wales.

I have, &c.,

E. W. STAFFORD.

## No. 5.

Copy of a Letter from the COLONIAL SECRETARY, New South Wales, to the Hon. E. W. STAFFORD.

Colonial Secretary's Office, Sydney,  
New South Wales, 1st October, 1867.

SIR,—

With reference to your letter of the 17th ultimo,\* No. 301, representing the inconvenience resulting from the draft contract between the Government of New Zealand, and the Panama New Zealand and Australian Royal Mail Company, for the Panama postal service, not having been forwarded to you, as promised in my communication of the 1st of last August, I have the honor to inform you that the document in question has been duly sent.

I have, &c.

HENRY HALLORAN.

The Hon. the Colonial Secretary, New Zealand.

## No. 6.

Copy of a Letter from the Hon. E. W. STAFFORD to the COLONIAL SECRETARY, New South Wales.

Colonial Secretary's Office,  
Wellington, 4th February, 1868.

SIR,—

I regret to have again to call your attention to the fact that the draft contract with the Panama New Zealand and Australian Royal Mail Company, which was left with you by Mr. Crosbie Ward, and which has been requested, in my letters noted in the margin, to be transmitted to this Department, has not been yet received.

No. 88, May 16,  
1867.

No. 260, July 25,  
1867.

No. 301, Sept. 17,  
1867.

No. 332, Oct. 9,  
1867.

No. 373, Nov. 18,  
1867.

Captain Benson, the General Manager of the abovenamed Company, who has been recently in Sydney, states that he understood from you, that you had never seen the draft contract, but he must evidently have misapprehended your meaning, as in your letter No. 67-4901, of the 1st of August last, you refer to it as having been left with you, and promise that it shall be transmitted to me in a few days.

As it is probable that the draft contract in question has been mislaid, I have the honor to enclose another copy of it.

I have, &c.,

E. W. STAFFORD.

The Colonial Secretary, New South Wales.

## No. 7.

Copy of a Letter from the COLONIAL SECRETARY, New South Wales, to the Hon. E. W. STAFFORD.

Colonial Secretary's Office,  
Sydney, 31st March, 1868.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 4th instant, wherein you invite my attention to your several letters noted in the margin of your letter, requesting the transmission of a draft contract to be entered into by your Government, with the Panama New Zealand and Australian Royal Mail Company, and which you state to have been left with me by the late Mr. Crosbie Ward.

2. In reply, I beg to express my regret that an answer which I had directed to your letter of the 18th November last (No. 67-337), was by some oversight in this office neglected to be forwarded. In that reply it was to have been stated that I had no knowledge whatever of the draft contract alluded to; and further, that though several printed copies of the document in question had been received, it could hardly have been intended that any of these was desired.

3. In your letter of the 4th you make reference to the language of my letter of the 1st of August last year, as showing that the Contract had been received by this Government. On examining the letter book, I find that the word "Contract" was used in that communication; but my minute, directing that communication to be written, was in the following words:—"Letter acknowledging receipt, and informing that Draft Agreement shall be transmitted in a few days"—meaning the articles of agreement between the two Colonies. The clerk who wrote the reply, following the terms of a letter of yours, instead of the terms of my minute, employed the word Contract, which has led to the misunderstanding as to the document, the transmission of which was promised.

I have, &c.,

HENRY PARKES.

The Hon. the Colonial Secretary, New Zealand.

\* No. 25 of Panama Papers, 1867, E.—No. 3A.

## No. 8.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to the GENERAL MANAGER P. N. Z. and A. R. M. Co.

General Post Office,

Wellington, 23rd March, 1868.

SIR,—

I am directed to forward to you for your information the enclosed copy of a letter addressed by the Hon. the Colonial Secretary of New Zealand to the Hon. the Colonial Secretary of New South Wales, on the subject of the draft contract with the Panama New Zealand and Australian Royal Mail Company for the Panama service. Printed as No. 6 of this series.

The General Manager P.N.Z. and A.R.M. Co.,  
Wellington.

I have, &amp;c.,

G. ELIOTT ELIOTT,  
Secretary.

## No. 9.

Copy of a Letter from the GENERAL MANAGER P.N.Z. and A.R.M. Co. to the Hon. JOHN HALL.

Panama, New Zealand, and Australian Royal Mail Company (Limited),

Sydney, Melbourne, and New Zealand,

SIR,—

Wellington, 3rd April, 1868.

I am obliged by receipt of your favour of 23rd ultimo, enclosing copy of letter from the Hon. the Colonial Secretary to the Hon. Colonial Secretary of New South Wales, on the subject of the above document. I respectfully remind you, that this service has been in operation nearly two years, and the want of it has been very embarrassing to my Directors in London. I must express my earnest hope that it may be forthcoming at your very earliest convenience. Panama Contract.

The Hon. the Postmaster-General,  
Wellington.

I have, &amp;c.,

H. B. BENSON,  
General Manager.

## No. 10.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. the COLONIAL SECRETARY, New South Wales.

Colonial Secretary's Office,

Wellington, 14th July, 1868.

SIR,—

At the request of the Postmaster-General, I have the honor to enclose a copy of the Postal Contract with the Panama New Zealand and Australian Royal Mail Company, signed by His Excellency the Governor in Council, and to state that, though it has not yet been formally executed by the Company, their seal being kept in their office in London, it has been agreed to and signed on their behalf by Captain Benson, their representative and general manager.

It will be seen that, in conformity with the agreement of the 1st of December, 1866, signed by yourself and the late Mr. Crosbie Ward, the contract has been "revised so as to embrace the same conditions as the agreement between New Zealand and New South Wales, and to enable the agreement between the Colonies to be strictly carried out."

I have to request you to be good enough to inform me whether, as was suggested at the time of Mr. Crosbie Ward's visit to Sydney, the Government of New South Wales desire that the Postmaster-General of that Colony should be appointed agent of the Postmaster-General of New Zealand, for the purpose of giving effect to the provisions of the contract, and especially to clauses 17, 19, and 20, and to part of clause 12.

As, from your letter of the 31st of March last, you appear to be under the impression that no copy of the draft contract (with the Panama New Zealand and Australian Royal Mail Company) was left with the New South Wales Government, the Postmaster-General requests me to state that Mr. Crosbie Ward, when about to proceed to Sydney, was specially instructed to consult with that Government on the subject of the contract in question, and that in his official reports he distinctly states that he had done so, and, in reference to the extract which I have quoted from the agreement between yourself and him, he writes as follows:—

"4. Contract to be revised: The Government of New South Wales has undertaken to do this; but Mr. Parkes was careful to guard his Government from being compromised by any alterations they might suggest. They were, he said, to be taken as friendly help towards the execution of the work. I had asked for this friendly help for myself, being apart from any legal advice on which I could rely, but it does not follow that the New Zealand Government should avail themselves of it, or await the recommendations of New South Wales, unless it is convenient so to do. The wording of the contract, as well as its execution, is on the responsibility of New Zealand."

In consequence of this intimation from Mr. Ward, repeated application was made by me to you on the subject, and until I received your letter of the 31st of March last, I was not aware of any doubt existing whether that draft contract had been left as reported by Mr. Ward, more especially as the Postmaster-General of this Colony, when in Sydney, in March, 1867, was assured that the particular documents referred to would be sent after him to New Zealand in a few days. I mention these circumstances, not with any view of continuing a discussion which would now serve no practical purpose, but to relieve this Government from responsibility for the unusual delay which has taken place in the completion of the contract, and which might have occasioned serious difficulties.

I have, &amp;c.,

E. W. STAFFORD.

The Hon. the Colonial Secretary, New South Wales.

## Enclosure in No. 10.

## CONTRACT FOR PANAMA, NEW ZEALAND, AND AUSTRALIAN ROYAL MAILS.

ARTICLES OF AGREEMENT made the twenty-seventh day of June, in the year of our Lord one thousand eight hundred and sixty-eight, between His Excellency Sir George Ferguson Bowen, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand, and its Dependencies, and Vice-Admiral of the same, by and with the advice and consent of the Executive Council of the said Colony, of the one part, and the Panama New Zealand and Australian Royal Mail Company (Limited), hereinafter called "The Company," of the other part, as follows:

WHEREAS the said Company, then called "The Intercolonial Royal Mail Steam Company (Limited)," lately contracted with Crosbie Ward, Esquire, who purported, as Postmaster-General of the Colony of New Zealand, to enter into such contract, under and by virtue of the powers and provisions of "The New Zealand Post Office Act, 1858," and instructions to him for that purpose given by the Governor of New Zealand, for the performance of the services in the said contract expressed, and the extension of certain services therein mentioned, and the terms of the said contract so made by the said Crosbie Ward were expressed in a written instrument or contract which was duly executed by the parties on or about the seventeenth day of December, one thousand eight hundred and sixty-three. And whereas by "The Panama Mail Service Act, 1864," it was enacted that the Governor of the Colony of New Zealand, with the advice of the Executive Council, might, and he was thereby empowered by Order in Council to confirm, subject to the modifications thereby authorized to be made, the contract of the seventeenth day of December, one thousand eight hundred and sixty-three, and that the same, subject to such modifications being so confirmed, should be valid and effectual to all intents and purposes, and should have the same force and effect, and should bind the Government of the Colony as fully as if it had been made under an Act of the General Assembly; and further, that the Governor in Council might agree with the said Company to vary all or any of the said terms, stipulations, or conditions of the said contract in such manner as he might think for the good of the public service, and as should be agreed to by the said Company, subject to the provisions in the said Act mentioned. And whereas under and by virtue of the powers in that behalf by the said recited Act conferred on him, the Governor has agreed with the said Company to vary certain of the terms, stipulations, and conditions of the said contract of the seventeenth day of December, one thousand eight hundred and sixty-three. And whereas by a Memorandum of Agreement in writing bearing date the tenth day of February, one thousand eight hundred and sixty-five, and signed by John Larkins Cheese Richardson, Esquire, Postmaster-General of the Colony of New Zealand aforesaid, and John Vine Hall, Esquire, as acting for the said Company, it was agreed between the Government of New Zealand and the said John Vine Hall (as Agent for the said Company), that a contract should be forthwith entered into for the performance upon the terms therein mentioned or referred to of the Postal Service therein mentioned, being the service (subject to certain modifications, alterations, and extensions,) mentioned and agreed upon in the said contract of the seventeenth day of December, one thousand eight hundred and sixty-three. And 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, Esquire, the Agent for that purpose duly authorized of 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 by 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 the said Postal Service 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 hereinafter expressed and contained. And whereas by "The Panama Mail Service Act Amendment Act, 1865," the Governor, with the advice and consent of the Executive Council, is empowered on behalf of the Government of New Zealand, to execute and carry into effect such contract with the said Company or their Agent, for the modification and extension of the said contract of the seventeenth day of December, one thousand eight hundred and sixty-three, as by the said Memorandum of Agreement of the tenth day of February, one thousand eight hundred and sixty-five, is agreed to be made; and (subject to the provisions in the said Act contained) the Governor in Council is empowered from time to time to make with the said Company such agreements for the further modification of the said contract, and for the extension to all or any of the Australasian Colonies, and to such ports in the said Colonies, or any of them, as to the said Governor in Council may seem expedient, of such or similar Postal Services as in the said contract of the seventeenth day of December, one thousand eight hundred and sixty-three, mentioned, and for that purpose or otherwise for the purpose of carrying out and giving effect to the objects and provisions of the said last-mentioned Act, to alter and re-arrange or to agree to any alterations and re-arrangements of any Time Tables for arrival or departure at or from any port or ports, place or places, of the steam vessels to be employed under the said contract, or under any modification or extension thereof, and further to agree with the said Company for such additional subsidies to be paid in respect of any extensions as aforesaid, and generally from time to time to alter, modify, and extend any contract for the time being subsisting with the said Company in respect to the service in such contract mentioned, or any extension, alteration, or modification thereof, and also from time to time to make such new and other contracts with the said Company as to the Governor in Council may seem expedient for the continuation or establishment of a Postal Service or several services between Panama and New Zealand, with extensions to the other Australasian Colonies or any of them. And by the said last-mentioned Act it was provided that so long as the said Colony of New South Wales shall be admitted to participate in the said contract, under and by virtue of the Agreement in that behalf made between the said Isaac Earl Featherston and Charles Cowper, or under and by virtue of any contract thereafter to be made in pursuance of the said last-mentioned Agreement, then, and during such period, no contract after this present contract should be entered into with the said Company for such services as by the said recited contract and Agreement of the seventeenth day



of December, one thousand eight hundred and sixty-three, and the tenth day of February, one thousand eight hundred and sixty-five, respectively, were agreed upon, or any of them, or for any modification, extension, or alteration of such services, without the consent of the Government for the time being of New South Wales, testified by writing under the hand of the proper officer of such Government, to such agreements, or to such modification, alteration, or extension first had and obtained. And whereas the said Sir George Ferguson Bowen, Governor, as aforesaid, with the advice and consent of the said Executive Council, and "The Panama New Zealand and Australian Royal Mail Company (Limited)," have agreed for the modification of the said contract, and for the extension of such Postal Services in the manner and to the effect hereinafter incorporated and contained: Now therefore, these Articles witness that the said Sir George Ferguson Bowen, Governor, as aforesaid, with the advice and consent of the Executive Council of the Colony of New Zealand, for himself and his successors, Governors of the said Colony, doth hereby contract and agree, and the "Panama New Zealand and Australian Royal Mail Company (Limited)," for themselves and their successors, hereinafter collectively styled "The Company," do hereby contract and agree as follows, that is to say—

1. The words "Postmaster-General," wherever the same shall occur in this contract, shall mean the Postmaster-General for the time being of the Colony of New Zealand, unless in the context it shall expressly appear that the Postmaster-General of New South Wales or the Postmaster-General of the United Kingdom is thereby intended. And the word "mails," wherever the same shall occur in this contract, shall mean and include all letters, boxes, bags, or packets of letters, newspapers, books, or printed papers, and all other articles, which, under the existing Regulations of the Post Offices of New Zealand and New South Wales respectively, are transmissible by post to whatever country or place the same respectively may be addressed, or in whatever country or place they may have originated, and all empty bags and other stores used or to be used in carrying on the Postal Service which shall be sent by, to, or from the Post Offices of New Zealand and New South Wales respectively.

2. That at all times during the continuance of this Agreement, or so long as the service hereby agreed to be performed between Panama, New Zealand, and Sydney, ought to be performed in pursuance thereof, the Company will for the purpose of conveying as hereinafter provided all Her Majesty's Mails which shall at any time and from time to time by the Postmaster-General of New South Wales, or by the Postmaster-General of New Zealand, or any of the officers or agents of either of such Postmasters-General, or in the case of departure from Panama, by Her Majesty's Postmaster-General of the United Kingdom, or any of his officers or agents, be required to be conveyed, provide, keep seaworthy, and in complete repair, for such conveyance, once each way in each calendar month between Sydney, in New South Wales, by way of Wellington, in New Zealand, and Panama, a sufficient number of good, substantial, and efficient steam vessels, each of which shall be of not less than twelve hundred and fifty (1250) tons burthen, builders' measurement, and supplied with first-rate appropriate steam engines of not less than two hundred and fifty (250) nominal horse power.

3. That the vessels to be employed under this Agreement shall be always furnished while in actual use with all appropriate and necessary machinery, engines, apparel, furniture, stores, tackle, boats, fuel, lamps, oil for lamps and engines, tallow, provisions, anchors, cables, fire pumps, and other proper means for extinguishing fire, lightning conductors, charts, chronometers, proper nautical instruments, medicines, and whatsoever else may be requisite for equipping the said vessels and rendering them constantly efficient for the service hereby agreed to be performed, and also manned and provided with competent officers, and with a sufficient number of efficient engineers, and a sufficient crew of able seamen and other men, to be in all respects as to vessels, engines, equipments, officers, engineers, and crew, subject in the first instance, and from time to time, and at all times afterwards, to the approval of the Postmaster-General or of such other competent person or persons as he shall at any time or times or from time to time authorize to inspect and examine the same.

4. That one of such vessels so approved, equipped and manned as aforesaid, shall, on such days and at such hours as are mentioned in the Table hereunto annexed (until and unless any other days or hours shall under the power herein in that behalf contained be substituted instead thereof), put to sea from and arrive at the ports or places respectively mentioned in such Table, with permission to call at any island for coaling purposes, but so that the time to be occupied in the passage between the ports named be not increased. And the Company shall convey in such vessels to and from and cause to be delivered at and received from such of the ports or places mentioned in the said tables respectively, from or at which the said vessels are to start, touch, and arrive in performance of this Agreement, all such mails as shall or may be tendered or delivered to or received by the Company or any of their agents, officers or servants, by or from the Postmaster-General of New South Wales, at Sydney, or any of his officers or agents or by or from the Postmaster-General of New Zealand, or any of his officers or agents, or in the case of departure from Panama, by or from Her Majesty's Postmaster-General of the United Kingdom, or any of his officers or agents.

5. That should it be deemed by the Postmaster-General of New South Wales, his officers or agents, in the case of departure from Sydney, or by the Postmaster-General of New Zealand, his officers or agents, in the case of departure from Wellington, or in the case of departure from Panama, by Her Majesty's Postmaster-General of the United Kingdom, his officers or agents, requisite for the public service that any vessel to be employed under this Agreement should at any time or times delay her departure from any port from which the mails are to be conveyed under this Agreement beyond the period appointed for her departure therefrom, the respective Postmasters-General, their officers or agents, shall have power to order such delay (not however exceeding twenty-four hours) by letter addressed by him or them to and delivered to the master of any such vessel or the person acting as such, or left for him at the office of the Company or on board the vessel not less than six hours before the period appointed for her departure, and such letter shall be deemed a sufficient authority for such detention.

6. That the Company shall convey the said mails from the Port of Wellington to the Port of Panama, and *vice versa*, in six hundred and fifty (650) hours each way, and from the Port of Wellington to the Port of Sydney, and *vice versa*, in one hundred and fifty-six (156) hours each way, and that the stoppage at the Port of Wellington for the delivery and reception of mails on any voyage shall be of

such duration as shall be from time to time fixed by the Postmaster-General for the time being, not exceeding on any voyage thirty (30) hours, and that the Company shall convey the said mails from Wellington to Sydney and from Sydney to Wellington, as the case may be, in the same vessel which has conveyed the mails from Panama to Wellington, or is about to convey the mails from Wellington to Panama, as the case may be.

7. And it is hereby agreed that if the Company shall fail to deliver the said mails either at the Port of Panama or at the Port of Wellington in six hundred and fifty (650) hours from the time of departure from the other of those ports, then, and so often as the same shall happen, the Company shall forfeit and pay to Her Majesty, Her heirs and successors, for the benefit of the Postal Revenue of the Colony of New Zealand, in the case of a voyage between Wellington and Panama, or between Panama and Wellington, the sum of fifty pounds (£50) for every complete period of twenty-four hours consumed beyond the period hereinbefore specified: Provided always that the full amount of such sums payable on any voyage shall never exceed the sum of one thousand three hundred and twelve pounds ten shillings (£1,312 10s.) for a voyage either way between Wellington and Panama. And if the Company shall on any voyage fail to convey the said mails between the Port of Sydney and the Port of Wellington, each way, within one hundred and fifty-six (156) hours from the departure of the vessel carrying such mails from such Ports respectively, or if any vessel arriving from Panama at the Port of Wellington with mails shall be detained at Wellington for any time longer than that fixed by the Postmaster-General for the stoppage of such vessels for the reception and delivery of mails at Wellington, the Company shall forfeit and pay to Her Majesty, her heirs and successors, for the benefit of the Postal Revenue of the Colony of New Zealand for every complete period of twelve hours consumed beyond such period of one hundred and fifty-six (156) hours the sum of fifty pounds (£50), and also for every complete period of six (6) hours during which such vessel shall be detained at Wellington beyond the period fixed by the said Postmaster-General of New Zealand the sum of twenty-five pounds (£25): Provided further that the payment of any such sums respectively shall not be enforced against the Company, if it be shown by them to the satisfaction of the Postmaster-General, that the delay has arisen from causes over which they had not and could not have any control.

8. That there shall be paid to the Company for every complete period of twenty-four hours of arrival within the time hereby covenanted for conveyance of mails, a premium of fifty pounds (£50) in the case of any voyage between Panama and Wellington.

9. If at any time or times the Postmaster-General shall desire to alter the particular days, times, or hours of departure from and arrival at any of the ports or places to or from which Her Majesty's Mails are to be conveyed under this Agreement, he shall be at liberty so to do on giving three (3) calendar months notice in writing of such his desire to the Company, and from the expiration of such notice the days, times, and hours specified in such notice shall be deemed for the purposes of this contract to be substituted for the days, times, and hours specified in this contract and the Time Table hereto, provided such alterations do not necessitate an increase of speed, and it is expressly agreed that such alteration of days, times, and hours shall not otherwise affect this contract or the terms and conditions thereof, or give the Company any claim to any increase of payment.

10. That if at any time or times the Postmaster-General shall desire otherwise to modify the services hereby agreed to be performed (as for example to increase the frequency of the conveyance of mails between any of the ports or places between which such mails are to be conveyed under this Agreement, or to extend the conveyance of such mails to any other ports or places not specified in this Agreement), or to discontinue the conveyance of mails to any port, he shall be at liberty so to do on giving reasonable notice to the agent of the Company at Wellington, and on paying to the Company for all increased or extended services resulting from such modification such further consideration, or in case of any decreased service therefrom resulting, such reduced consideration as may be mutually agreed upon between the Company and the Postmaster-General, or failing such mutual agreement by arbitration in the manner hereinafter expressed.

11. That the particular ports of departure and arrival, the particular days, times, and hours of departure from and arrival at any ports or places, and all other services, if any, which may be appointed by any alteration under the two preceding clauses, shall for the time being be deemed to be the ports, days, times, and hours of departure and arrival of mails and other services under this Agreement, and shall be observed and kept by the Company accordingly, and these Articles and everything therein contained shall apply thereto, as if the same had been originally named herein and in the Table hereto annexed.

12. That if the Company shall at any day and hour appointed in the Time Table hereto annexed, and at any of the ports appointed or named in the said Time Table, or at any of the several ports or places at which an efficient vessel ought to be provided, fail to put an efficient vessel to sea in accordance with the terms of this Agreement, then, and so often as the same shall happen, the Company shall forfeit and pay unto Her Majesty, Her heirs and successors, for the benefit of the Postal Revenue of the Colony of New Zealand, the sum of five pounds (£5) per hour for the first twenty-four (24) hours, and the further sum of two pounds ten shillings (£2 10s.) per hour for every hour after the first twenty-four hours (24) which shall elapse until such a vessel actually proceeds to sea on her voyage in performance of this Agreement, but so that the whole amount of such penalty shall not for any one voyage (the passage between Sydney, Wellington, and Panama, and the passage between Panama, Wellington, and Sydney, either way, to be deemed one voyage) exceed the sum of one thousand three hundred and twelve pounds ten shillings (£1,312 10s.) And provided that the payment of any such sum shall not be enforced against the Company, if it be shown by them to the satisfaction of the Postmaster-General, that the default has arisen from causes over which they had not and could not have had any control. And it is hereby declared that in the event of the loss of or damage to any vessel belonging to the Company, the Company shall be at liberty to substitute any equally suitable vessel (to be approved by the Postmaster-General) that can be hired for the purpose.

13. That the Company shall receive and allow to remain on board each of the vessels, while employed in the performance of the service comprised in the Time Table hereto annexed, and also while remaining at any of the ports or places named in the said Table, whether with or without mails.

on board, two officers in the service of the Postmaster-General, or a single such officer and his servant, to have charge of the said mails.

14. That a suitable first-class cabin, with appropriate bed, bedding, and furniture, to the satisfaction of the Postmaster-General, shall, at the cost of the Company, be provided and appropriated by them for the exclusive use and accommodation of every such single mail officer, or for the joint but otherwise exclusive use and accommodation of such mail officers, if two. And also (to the satisfaction of the Postmaster-General) a proper and convenient place of deposit on board, lined with iron and with secure lock and key, for the mails. And that every of the said officers shall be victualled by the Company as a chief cabin passenger without any charge either for his passage or victualling. And that should any such single officer require an assistant or servant, such assistant or servant shall also be provided with a proper and suitable berth, and be duly victualled by and at the cost of the Company as a fore-cabin passenger, without any charge being made for the same. Every such officer shall be recognized and considered by the Company, their officers, agents, and seamen, as the agent of the Postmaster-General in charge of mails, and as having full authority in all cases to require a due and strict performance of this Agreement on the part of the Company, their officers, servants, and agents, and to determine so far as relates to the levying of penalties, every question whenever arising relative to the time of proceeding to sea or putting into harbour, or the necessity of stopping to assist any vessel in distress, or to save human life: Provided however that the words "to determine every question" shall not confer upon such officer the power of control over the commander of the vessel conveying the said mails.

15. That the Company shall provide on board each of the vessels to be employed under this Agreement in the service between Sydney, New Zealand, and Panama, all necessary and suitable accommodation, including lighting, to the satisfaction of the Postmaster-General, for the purpose of sorting and making up the mails thereby conveyed. And on being required by such Postmaster-General so to do, will, at their own cost, erect on each of such vessels a separate and convenient room for such purpose. And that the crew of each of the said vessels shall assist in conveying the mails between the mail-room and the sorting-room (if any), to be erected as aforesaid, or other separate sorting-room used as such for the time being.

16. That at each port or place named in the said Time Table, the mail officer or officers shall free of charge and with all possible expedition whenever and as often as by him or them shall be deemed practicable or necessary for the public service, and either with or without such assistant or servant as aforesaid, be conveyed on shore, and also from the shore to the vessel employed for the time being in the performance of this Agreement, together with, or if such officer or officers shall consider it requisite for the purposes of this Agreement so to do, without mails, in a suitable and seaworthy boat of not less than four oars, to be furnished with effectual covering for the mails, and properly provided, manned and equipped by the Company, and that the directions of such officer or officers shall in all cases be obeyed as to the mode, time, and place of receiving and delivering such mails.

17. That as often as the Postmaster-General during the continuance of this Agreement shall think fit to entrust the charge and custody of the mails to the master or commander of any vessel to be employed for the time being in the performance of this Agreement, and in all cases where the officer or other person appointed to have charge of the mails shall be absent, the master or commander of such vessel shall, without any charge other than that herein provided to be paid to the Company, take due care of, and the Company shall be responsible for the receipt, safe custody, and delivery of the said mails. And each of such masters or commanders shall make the usual oath or declaration or declarations required, or which may hereafter be required by such Postmaster-General in such and similar cases, and furnish such journals, returns, and information, and perform such services as such Postmaster-General or his agents may require. And every such master or commander or officer duly authorized by him having the charge of mails, shall himself immediately on the arrival of any such vessel at any of the said ports or places, deliver all mails for such port or place into the hands of the Postmaster or such other person at the said port or place as the Postmaster-General shall authorize to receive the same, receiving in like manner all the return or other mails to be forwarded in due course.

18. That the Company shall not nor shall any of the masters of any of the vessels employed or to be employed under this Agreement receive or permit to be received on board any of the vessels employed under this Agreement, any letters for conveyance other than those duly in charge of the said mail officer or officers or other person authorized to have charge of the said mails, or which are or may be privileged by law, nor any mails for conveyance on behalf of any other British Colony, or any foreign country, without the consent of the Postmaster-General. And the said mail officer or officers or other person shall report to the Postmaster-General any default in these respects, and in case of any such default the Company shall be liable to be proceeded against for a breach of this Agreement.

19. That the Postmaster-General shall have full power whenever and so often as he may deem it requisite to survey by any competent person he may appoint, all or any of the vessels employed and to be employed in the performance of this Agreement, and the hulls thereof, and the engines, machinery, furniture, tackle, apparel, boats, stores, equipments, and the officers, engineers, and crew, of every such vessel, and that for the purposes aforesaid the said vessels shall (if necessary) be opened in their hulls whenever such competent person shall require. And if any of such vessels or any part thereof, or any engines, machinery, furniture, tackle, apparel, boats, stores, or equipments, shall on any such survey be shown by such Inspector to be unseaworthy or not adapted to the service hereby agreed to be performed, every vessel which shall be disapproved of or in which such deficiency or defect shall appear, shall be deemed insufficient for any service hereby agreed to be performed, and shall not be again employed in the conveyance of mails until such defect or deficiency has been repaired or supplied to the satisfaction of the said Postmaster-General.

20. That the Company and all commanding and other officers of the vessels employed in the performance of this Agreement, and all agents, seamen, and servants of the Company shall at all times punctually attend to the orders and directions of the Postmaster-General, his officers or agents, as to the mode, time and place of landing, delivering and receiving of mails.

21. And that all and every the sums of money hereby stipulated to be paid by the Company unto Her Majesty, her heirs and successors, shall be considered as stipulated or ascertained damages, whether any damage or loss have or have not been sustained; and shall and may be retained by the Postmaster-General, out of any moneys payable or which may thereafter become payable to the Company; or the payment may be enforced as a debt due to Her Majesty, with full costs of suit at the discretion of the said Postmaster-General: Provided, however, that the payment by the Company of any sums of money (by way of penalties) shall not in any manner prejudice the right of the said Postmaster-General to treat the failure (if any) on the part of the Company to put to sea with a proper vessel or to perform any voyage at or within the times in the said Table respectively mentioned as a breach of this Agreement.

22. And in consideration of the due and faithful performance by the said Company of all the services hereby agreed to be by them performed, the said Sir George Ferguson Bowen, Governor as aforesaid, by and with the advice and consent of the said Executive Council, doth hereby contract and agree with the Company that there shall be paid to the Company during the continuance of this Agreement (out of such aids or supplies as may be from time to time provided and appropriated by the New Zealand Legislature for such purpose, and may be otherwise contributed in respect thereof), in respect of the said services comprised in the Time Table the sum of one hundred and ten thousand pounds (£110,000) per annum in equal monthly payments, and the said respective sums, heretofore paid and agreed to be paid, shall be received by the Company as full compensation for all costs and expenses which they may incur or be put to by reason of all and singular the services hereby contracted to be performed, subject however to the abatement of any sums of money in respect of forfeitures which the Company may have incurred, or to the addition of any sums in respect of premiums (as the case may be) as herein provided, and such payments shall be made monthly:

And it is hereby further agreed and declared between and by the said parties to these presents:

23. That the whole of the postage of all mails conveyed in the vessels employed under this Agreement, whether carried from or out of Her Majesty's dominions, or otherwise, shall belong to Her Majesty, and shall be at the disposal of the Postmaster-General of the Colony of New Zealand.

24. That the Company shall not assign, underlet, or dispose of this Agreement, or any part thereof, without the consent of the Postmaster-General signified in writing under his hand, or under the hand of the Secretary of the Post Office of New Zealand, and that in case of the same or any part thereof being assigned, underlet, or otherwise disposed of, or of any gross or habitual breach of this Agreement, or any covenant, matter, or thing herein contained on the part of the Company, their officers, agents, or servants, and whether there be or be not any penalty or sum of money payable by the Company for any breach, it shall be lawful for the Postmaster-General, if he shall think fit, and notwithstanding there may or may not have been any former breach of this contract, by writing under his hand or under the hand of the Secretary of the Post Office of New Zealand, to determine this Agreement without any previous notice to the Company or their agents, nor shall the Company be entitled to any compensation in respect of such determination.

25. That this Agreement shall be deemed to have commenced on the fifteenth day of June, one thousand eight hundred and sixty-six, and shall continue in force till the fourteenth day of June, one thousand eight hundred and seventy-one, and shall then determine if the Postmaster-General shall, by writing under his hand, or under the hand of the Secretary of the Post Office of New Zealand for the time being, have given to the Company, or the Company have given to the Postmaster-General twenty-four calendar months' previous notice in writing that this Agreement shall so determine. But if neither party hereto shall give any such notice this Agreement shall continue in force, even after the time hereinbefore fixed for the determination thereof until the twenty-fifth day of September, one thousand eight hundred and seventy-two, and no longer. All services performed by the said Company before the execution of this contract in the carriage of Mails between Sydney, Wellington, and Panama, and Panama, Wellington, and Sydney, shall be deemed to have been performed under this contract, and all sums of money paid to the said Company, on behalf of Her Majesty, before the execution of this contract, for the carriage of such Mails, shall be deemed to have been paid under this contract, and shall be deducted from the sums hereby agreed to be paid by Sir George Ferguson Bowen, the Governor, aforesaid.

26. That if, on determination of this Agreement, any vessel or vessels should have started or should start with the mails in conformity with this Agreement, such voyage or voyages shall be continued and performed, and the mails be delivered and received during the same as if this Agreement had remained in force with regard to any such vessels and services. And with respect to such vessels and services as last aforesaid this Agreement shall be considered as having terminated when such vessels and services shall respectively have reached their port or place of destination and been performed.

27. From and after the commencement of this Agreement, all services previously performed by the Company under agreement with the Government of New Zealand, shall, at any time, if and when so required by the Postmaster-General of New Zealand, be discontinued, and the Company shall have no claim to any compensation on account of such discontinuance.

28. That the Company shall from time to time, and at all times during the continuance of this Agreement, become and be bound to Her Majesty, her heirs and successors, with one good and sufficient surety, in one penal sum of six thousand pounds (£6000) for the performance of this Agreement, and that in case of dispute the sufficiency of any surety from time to time proposed by the Company shall be determined by arbitration in manner hereinafter expressed.

29. That all notices or directions which the several Postmasters-General of Great Britain, New South Wales, and New Zealand, or their respective officers, agents, or others are hereby authorized to give to the Company, their officers, servants, or agents (other than any notice of termination of this contract, or except where otherwise provided by this contract), may, at the option of the Postmasters-General, their officers, agents, or others, either be delivered to the master of any of the said vessels, or other officer or agent of the Company in the charge or management of any vessel employed in the performance of this Agreement, or left for the Company at their usual or last known office or house of

business in London or New Zealand, and any notices or directions so given or left shall be binding on the Company: Provided always that any notice of termination of this contract shall be served on the Company, their officers, servants, or agents, at their office in London.

30. That it shall be lawful for the Postmaster-General at any time and from time to time to delegate any of the powers vested in him by virtue of these presents to such person or persons as he shall think fit.

31. That if at any time during the continuance of this Agreement or after the determination thereof, any dispute shall arise between the parties hereto or their successors respectively concerning any breach or alleged breach by or on the part of the Company of this Agreement, or the sufficiency of any such breach to justify the Postmaster-General in putting an end to the same, or concerning the amount of consideration to be paid to or allowed by the Company for such altered services as hereinbefore in that behalf mentioned, or concerning any of the covenants, matters, or things herein contained or in anywise relating thereto, and notwithstanding the power herein contained, to determine this Agreement, and any execution or attempted execution of such power such dispute shall be referred to two arbitrators, one to be chosen from time to time by the Postmaster-General, and the other by the Company, and if such arbitrators should at any time or times not agree in the matter or question referred to them, then such question in difference shall be referred by them to an umpire to be chosen by such arbitrators before they proceed with reference to them, and the joint and concurrent award of the said arbitrators, or the separate award of the said umpire, when the said arbitrators cannot agree, shall be binding and conclusive upon both parties. And that any submission to arbitration in pursuance of this Agreement, shall on the application of either party, be made a rule of any of Her Majesty's Courts of Record, at Westminster, in England, or of Her Majesty's Supreme Court of New Zealand, pursuant to the laws in that case made and provided.

In witness whereof, the said Sir GEORGE FERGUSON BOWEN, Governor as aforesaid, by and with the consent and advice aforesaid, hath hereunto set his hand and caused the Seal of the Colony to be affixed; and "The Panama New Zealand and Australian Royal Mail Company (Limited)" have caused their common Seal to be hereunto affixed the day and year first above written.

TIME TABLE.

MAIL SERVICE BETWEEN SYDNEY, WELLINGTON, AND PANAMA.  
OUTWARDS.

PORTS.	LOCAL TIME.	
	Dates.	Hours.
Leave Sydney .. .. .	2nd	2 p.m.
Arrive Wellington .. .. .	8th	10 a.m.
Leave Wellington .. .. .	9th	4 p.m.
Arrive Panama .. .. .	*5th or 6th	1 a.m.

\* The steamer from Australia will be due at Panama at 1 a.m. on the 5th of the month, if the preceding month contains 31 days, and on the 6th, if the preceding month contains 30 days.

INWARDS.

PORTS.	LOCAL TIME.	
	Dates.	Hours.
Leave Panama .. .. .	24th	4 p.m.
Arrive Wellington .. .. .	*21st or 22nd	11 a.m.
Leave Wellington .. .. .	22nd or 23rd	11 a.m.
Arrive Sydney .. .. .	28th or 29th	Morning.

\* The steamer from Panama will be due at Wellington on the 21st of the month when the previous month contains 31 days, and on the 22nd, when the previous month contains 30 days.

Signed by the within named Sir George Ferguson Bowen, Governor aforesaid, and the public Seal of the Colony of New Zealand, was attached hereunto in the presence of

JOHN HALL,  
Postmaster-General of New Zealand.

G. F. BOWEN.

(SEAL OF THE COLONY OF NEW ZEALAND.)

Approved in Council:  
FORSTER GORING,  
Clerk of the Executive Council.

## No. 11.

Copy of a Letter from the UNDER SECRETARY to JOHN MORRISON, Esq., London.

Colonial Secretary's Office,  
Wellington, 8th July, 1868.

SIR,—

I have the honor, by direction of Mr. Stafford, to transmit to you the accompanying duplicate copies of the Panama Mail Contract, under the hand of His Excellency the Governor and the seal of the Colony. I am to request you to be good enough to deliver one copy to the Directors of the Panama New Zealand and Australian Royal Mail Company, on receipt of the other copy duly executed by them. Two printed copies of the Contract are also forwarded for their use.

I have, &amp;c.,

John Morrison, Esq.,  
3, Adelaide Place, King William Street, London.

W. GISBORNE,  
Under Secretary.

## No. 12.

Copy of a Letter from the Hon. E. W. STAFFORD to the COLONIAL SECRETARY, New South Wales.

Colonial Secretary's Office,  
Wellington, 22nd June, 1868.

SIR.—

At the request of the Postmaster-General, I have the honor to transmit for the consideration of the Government of New South Wales, a copy of a Memorandum which he has drawn up on the subject of the payment made by the Colonies not contributing to the cost of the Panama Mail Service, for the transmission of their mails by the steamers of that service, and to suggest that the Government of New South Wales should communicate with the Victorian Government, with a view to some more equitable arrangements for the settlement of the matter in question.

I have, &amp;c.,

The Hon. Colonial Secretary, New South Wales.

E. W. STAFFORD.

## Enclosure in No. 12.

MEMORANDUM by the Hon. JOHN HALL.

I THINK the attention of the Government of New South Wales should be invited to the subject of the payment made by the Colonies not contributing to the cost of the Panama Mail Service for the transmission of their mails by the steamers of that service. The present payment is twenty shillings per pound on the gross weight of such mails, and includes the cost of transit across the Isthmus of Panama. This rate was fixed in March, 1867, at the instance of the Government of New South Wales, by whom it was doubtless assumed that, taking as a basis of calculation the average weight of the mails, carried previous to that time by the Panama steamers for the non-contracting Colonies, this rate of twenty-shillings per pound would amount to a contribution somewhat adequate to the advantages which those Colonies derive from the service. It will be seen by a return, forwarded herewith, of the weight of the mails during the past six months *via* Panama to and from the Colonies of Victoria, Tasmania, South Australia, and Western Australia, that this anticipation has not been realized. The total payment by Victoria for mails from that Colony to America and the United Kingdom is, according to this return, at the rate of two hundred and sixty-eight pounds (£268) per annum; and for mails to Victoria, at the rate of one thousand eight hundred pounds (£1,800) per annum; or according to the weight of the last mail received, at the rate of one thousand and forty-four pounds (£1,044). From Tasmania the total contribution for mails both ways amount to two hundred and seventy pounds (£270) per annum. The Queensland contribution I am unable to state, as the mails for that Colony are enclosed in those for Sydney. In the case of Victoria it seems probable that the small sum payable for the mails from Melbourne is attributable to the fact that newspapers are now excluded, by the Melbourne Post Office, from these mails; if so, the rate of charge which was fixed for a gross weight of letters and newspapers is evidently no longer sufficient. Independently of this consideration however it is, I think, undeniable that a total payment of two thousand pounds (£2,000) per annum is not a reasonable contribution from the Colony of Victoria to the cost of an important and expensive Mail Service, from which she derives very considerable postal and other advantages, and if this be admitted I think a further effort should be made to place this matter upon a more fair and reasonable footing.

Previous negotiations with the Australian Colonies have been principally conducted by the Government of New South Wales, which is probably better informed than this Government can be of the probability of any modification of the present arrangement being attainable, as well as of the steps which it may be advisable to take with a view of bringing about such a result. I shall be glad therefore, if the attention of the New South Wales Government be called to this question, and the desirability of further negotiation with the Victorian Government be suggested. The present time seems favourable for this purpose, as the new Time Table for the Suez Mails appears to create much dissatisfaction in Victoria, and the advantages of a regular monthly communication *via* Panama will probably be more appreciated now than it has hitherto been. Should, however, the Victorian Government absolutely refuse to furnish a more adequate contribution to the cost of the Panama Mail Service than is now made, it should, I think, be stated that in the opinion of the New Zealand Government, correspondence to or from Victoria should not be carried by that service at all.

JOHN HALL.

THE PANAMA MAIL SERVICE.

15 E.—No. 2

STATEMENT of the WEIGHT of MAILS to and from the undermentioned Colonies, *via* Panama, for Six Months ended May, 1868.

COLONIES.	INWARDS.						
	December.	January.	February.	March.	April.	May.	Totals.
	lbs. ozs.	lbs. ozs.	lbs. ozs.	lbs. ozs.	lbs. ozs.	lbs. ozs.	lbs. ozs.
Victoria ... ..	109 0	129 4	178 0	282 4	115 0	87 0	900 8
Tasmania ... ..	25 12	23 0	21 0	23 10	13 8	28 2	135 0
South Australia ... ..	37 8	31 0	35 0	43 8	32 4	17 10	196 14
West Australia ... ..	0 14	1 12	0 14	3 0	0 12	0 13	8 1
Totals ... ..	173 2	185 0	234 14	352 6	161 8	133 9	1,240 7

COLONIES.	OUTWARDS.						
	December.	January.	February.	March.	April.	May.	Totals.
	lbs. ozs.	lbs. ozs.	lbs. ozs.	lbs. ozs.	lbs. ozs.	lbs. ozs.	lbs. ozs.
Victoria ... ..	25 0	21 4	10 0	29 8	26 8	22 0	134 4
Tasmania ... ..	0 4	...	...	...	...	...	0 4
South Australia ... ..	...	...	...	...	...	...	...
West Australia ... ..	...	...	...	...	...	...	...
Totals ... ..	25 4	21 4	10 0	29 8	26 8	22 0	134 8

No. 13.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

General Post Office,

SIR,—

London, 10th August, 1867.

I have received your letter of the 7th of June last, No. 98, enclosing copy of a circular letter No. 3 of Panama from the Postmaster-General of New South Wales, having reference to the transmission by the Sydney Papers, 1867, and Panama Mail Steamers of mails to and from the Colonies of Victoria, Tasmania, South Australia, E.—No. 3a. and Queensland, forming the subject of your letter of the 16th April, No. 67.

As stated in my letter of the 19th June, separate mails are now made up for transmission, *via* Panama, to the several Australian Colonies, whenever there is any correspondence to forward, and such mails are enclosed in the mail for Wellington.

The same credit is given in the letter-bills accompanying the mails in question as would be given if the correspondence were forwarded in the mail for Wellington.

The Postmaster-General, Wellington.

I am, &c.,  
F. HILL.

No. 14.

Copy of a Letter from Mr. F. I. SCUDAMORE to the Hon. JOHN HALL.

General Post Office, London,

SIR,—

1st November, 1867.

An amended Table of Rates of Postage, to be accounted for by the Post Office of New Zealand upon correspondence forwarded to other British Colonies through the United Kingdom in the mails sent *via* Panama, having been printed, I beg to enclose a few copies for the use of your Department.

The Postmaster-General, Wellington.

I have, &c.,  
F. I. SCUDAMORE.



Enclosure in No. 14.

TABLE showing the TOTAL AMOUNT of POSTAGE to be accounted for to the GENERAL POST OFFICE, LONDON, by the Post Offices in AUSTRALIA and NEW ZEALAND, upon LETTERS, NEWSPAPERS, and BOOK PACKETS forwarded through the United Kingdom addressed to the undermentioned Colonies and Foreign Countries, when despatched to the United Kingdom *via* Panama.

NOTE.—Pre-payment is compulsory in all those cases where the sign † is prefixed.

—	FOR A LETTER.					For each Newspaper.	FOR A BOOK PACKET.					
	Not exceeding ½ oz.	Above ½ oz. and not exceeding 1 oz.	Above 1 oz. and not exceeding 1½ oz.	Above 1½ oz. and not exceeding 2 oz.	Above 2 oz. and not exceeding 2½ oz.		Not exceeding 2 ozs.	2 ozs. to 4 ozs.	4 ozs. to 8 ozs.	8 ozs. to 1 lb.	1 lb. to 1½ lb.	1½ lb. to 2 lbs.
	s. d.	s. d.	s. d.	s. d.	s. d.		s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
†Africa, West Coast of ...	0 6	0 6	1 0	1 0	1 6	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Algeria ...	0 4	0 8	1 0	1 4	1 8	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Austria ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Azores ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
†Ascension ...	1 0	1 0	2 0	2 0	3 0	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Baden ...	0 5	0 10	1 3	1 8	2 1	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Bavaria ...	0 5	0 10	1 3	1 8	2 1	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Belgium ...	0 3	0 3	0 6	0 6	0 9	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
†Brazil ...	1 0	1 0	2 0	2 0	3 0	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Bremen ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 3	0 6	1 0	2 0	3 0	4 0
Brunswick ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
†Buenos Ayres ...	1 0	1 0	2 0	2 0	3 0	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Cape of Good Hope ...	1 0	1 0	2 0	2 0	3 0	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Cape de Verdes ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Canary Islands ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Constantinople ...	0 8	1 2	1 10	2 4	3 0	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Dardanelles ...	0 6	1 0	1 6	2 0	2 6	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Denmark ...	0 4	0 4	0 8	0 8	1 0	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Falkland Islands ...	0 6	0 6	1 0	1 0	1 6	1d.	0 4	0 4	0 8	1 4	2 0	2 8
France ...	0 4	0 8	1 0	1 4	1 8	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Frankfort ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Galatz ...	0 6	1 0	1 6	2 0	2 6	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Gallipoli ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Gambia ...	0 6	0 6	1 0	1 0	1 6	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Gibraltar ...	0 6	0 6	1 0	1 0	1 6	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Gold Coast ...	0 6	0 6	1 0	1 0	1 6	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Greece ...	0 9	1 6	2 3	3 0	3 9	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Hamburg ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 3	0 6	1 0	2 0	3 0	4 0
Hanover ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Hesse ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Hesse Homburg ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Holland ...	0 3	0 3	0 6	0 6	0 9	1d.	0 2	0 4	0 8	1 4	2 0	2 8
Ionian Islands ...	0 7	1 2	1 9	2 4	2 11	Book rate.	0 4	0 8	1 4	2 8	4 0	5 4
Italy (except Papal States) ...	0 5	0 10	1 3	1 8	2 1	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Lagos ...	0 6	0 6	1 0	1 0	1 6	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Larnaca ...	0 9	0 9	1 6	1 6	2 3	Book rate.	0 4	0 8	1 4	2 8	4 0	5 4
Lauenburg ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Liberia ...	0 6	0 6	1 0	1 0	1 6	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Lippe Detmold ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 3	0 6	1 0	2 0	3 0	4 0
Lubeck ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Madeira ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Mecklenburg ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
†Moldavia ...	0 7	0 7	1 2	1 2	1 9	ditto.	0 4	0 8	1 4	2 8	4 0	5 4
Mytelene ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
†Monte Video ...	1 0	1 0	2 0	2 0	3 0	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Natal ...	1 0	1 0	2 0	2 0	3 0	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Nassau, Duchy of ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 3	0 6	1 0	2 0	3 0	4 0
Norway ...	0 8	0 8	1 4	1 4	2 0	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Oldenburg ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 3	0 6	1 0	2 0	3 0	4 0
Papal States ...	0 6	1 0	1 6	2 0	2 6	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Poland ...	0 9	0 9	1 6	1 6	2 3	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Portugal ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Prussia ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Reuss ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 3	0 6	1 0	2 0	3 0	4 0
Rhodes ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Russia ...	0 9	0 9	1 6	1 6	2 3	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
St. Helena ...	1 0	1 0	2 0	2 0	3 0	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Samsoun ...	0 6	1 0	1 6	2 0	2 6	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Salonica ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Saxe Altenburg ...	0 6	0 6	1 0	1 0	1 6	Book rate.	0 3	0 6	1 0	2 0	3 0	4 0
Saxe Coburg Gotha ...												
Saxe Meiningen ...												
Saxe Weimar ...												
Saxony ...												
Schaumburg Lippe ...	0 9	0 9	1 6	1 6	2 3	Book rate.	0 4	0 8	1 4	2 8	4 0	5 4
Schwartzburg Rudolstadt ...												
Schwartzburg Sonderhausen ...												
†Scutari ...												
Seres ...	0 9	0 9	1 6	1 6	2 3	ditto.	0 4	0 8	1 4	2 8	4 0	5 4
Sierra Leone ...	0 6	0 6	1 0	1 0	1 6	1d.	0 4	0 4	0 8	1 4	2 0	2 8
Smyrna ...	0 6	1 0	1 6	2 0	2 6	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
Spain ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Sweden ...	0 6	0 6	1 0	1 0	1 6	ditto.	0 3	0 6	1 0	2 0	3 0	4 0
Switzerland ...	0 5	0 10	1 3	1 8	2 1	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Syria ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Tehesme ...	0 9	0 9	1 6	1 6	2 3	Book rate.	0 4	0 8	1 4	2 8	4 0	5 4
Tenedos ...	0 9	0 9	1 6	1 6	2 3	ditto.	0 4	0 8	1 4	2 8	4 0	5 4
Trebizond ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Tultcha ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Tunis ...	0 6	1 0	1 6	2 0	2 6	ditto.	0 2	0 4	0 8	1 4	2 0	2 8
Varna ...	0 6	1 0	1 6	2 0	2 6	Book rate.	0 2	0 4	0 8	1 4	2 0	2 8
†Wallachia ...	0 7	0 7	1 2	1 2	1 9	Book rate.	0 4	0 8	1 4	2 8	4 0	5 4
Wurtemberg ...	0 5	0 10	1 3	1 8	2 1	ditto.	0 2	0 4	0 8	1 4	2 0	2 8



## No. 15.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to the SECRETARY, General Post Office, London.

General Post Office,  
Wellington, 17th January, 1868.

SIR,— I have the honor to acknowledge receipt of your letter noted in the margin, forwarding copies Nov. 1, 1867. of an amended Table of Rates of Postage to be accounted for by New Zealand upon correspondence forwarded to other British Colonies, and to Foreign Countries, through the United Kingdom, in the mails sent *via* Panama, and to thank you for the same.

I have, &c.,  
G. ELLIOTT ELLIOTT,  
(for the Postmaster-General.)

The Secretary, General Post Office, London.

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## No. 16.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

General Post Office,  
Wellington, 13th August, 1867.

SIR,— I have the honor to inform you that representations have been made to this Department that serious inconvenience is sustained by many persons in New Zealand, in consequence of correspondence sent from hence *via* Panama, addressed to Brazil, Uruguay, La Plata, and other places on the East Coast of South America, being sent to London before being forwarded to destination.

It is stated that there are steamers running regularly every month from St. Thomas to Rio Janeiro, and that if the letters above mentioned were sent by these steamers, their delivery would be greatly expedited. I shall feel much obliged by your informing me whether arrangements can be made for this purpose.

I have, &c.,  
JOHN HALL,  
Postmaster-General.

The Secretary, General Post Office, London.

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## No. 17.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

General Post Office,  
London, 1st January, 1868.

SIR,— I am directed by the Postmaster-General to inform you that, upon receiving your letter of the 13th of August last, he wrote to the Postmaster-General of the United States with the view of ascertaining whether arrangements could be made for giving effect to your wishes in regard to the transmission, by means of the United States Packets which touch at St. Thomas, on their way from New York to Rio de Janeiro, of correspondence from New Zealand for Brazil and the River Plate.

In reply, the Postmaster-General states, that as the United States Post Office has no means of collecting any United States postage on the delivery of letters for Brazil, it will be necessary for the New Zealand Post Office, should it desire to avail itself of the United States Packets for the transmission of the correspondence to Brazil, to collect in advance the United States postage, viz.: 10 cents, or 5d. sterling, per half-ounce on letters, and 2 cents, or 1d., on each newspaper. To these rates, of course, the British sea postage, 4d. per half-ounce for letters, and 1d. for each newspaper, for conveyance from Colon to St. Thomas, must be added, making altogether a postage of 9d. per half-ounce for letters, and 2d. for each newspaper, to be accounted for by the New Zealand Post Office.

This postage must be brought to account in the letter bill for the British Post Office Agency at St. Thomas; and the correspondence should be tied up in separate bundles, properly labelled. Upon each letter and newspaper the combined British and United States postage, for which credit is given in the letter bill, should be distinctly marked in the usual manner.

The packet in question proceeding only as far as Rio, no letters for Uruguay, or other countries beyond Brazil, can be forwarded by them.

I have to add that due notice should be given to this office of the date at which you propose to commence the new arrangement, in order that the United States Post Office, and the agents of this department may be informed accordingly.

I have, &c.,  
F. HILL.

The Postmaster-General, Wellington.

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## No. 18.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to the SECRETARY, General Post Office, London.

General Post Office,  
Wellington, 17th March, 1868.

SIR,— I have the honor to acknowledge receipt of your letter of 1st January last, with reference to the transmission of correspondence from New Zealand for Brazil and the River Plate, by means of the United States Packets which touch at St. Thomas on their way to Rio de Janeiro, and to inform you that this Department will commence on the 8th July next, to forward correspondence for the places referred to, in accordance with the instructions contained in your letter.

I have, &c.,  
G. ELLIOTT ELLIOTT,  
(for the Postmaster-General.)

The Secretary, General Post Office, London.

## FURTHER PAPERS RELATIVE TO

## No. 19.

Copy of a Letter from Mr. F. I. SCUDAMORE to the Hon. JOHN HALL.  
General Post Office,

London, 23rd September, 1867.

SIR,—

Not printed.

I have duly received your letter of the 8th July last, enclosing a copy of the instructions which you had caused to be prepared for the guidance of the officers employed as Mail Agents on board the Mail Packets between Wellington and Panama, with a printed table, showing in what mail each description of correspondence forwarded from Wellington by the packets in question should be forwarded, the postage to be levied on such correspondence, and the amount to be credited in each case to the London office.

Having examined this table, the only observations to which it has given rise are the following:— Under the head of "Foreign Countries through the United Kingdom," the table states that letters are liable to a postage of 6d. per half-ounce, and books to a postage of 4d. per four ounces "in addition to foreign rates as per table;" and the credit to be given to the London office is stated to be 3½d. per ounce for letters, and 5½d. per pound for books, "and the foreign rates as per table."

No. 11 of Panama  
Papers, 1867,  
E.—No. 1.

All these sums, however, are incorrect. The rates set down in the table which is there referred to, and which was sent to you in my letter of the 1st November, 1866, include not only the foreign, but also the British territorial rate.

The rates to be collected in New Zealand on correspondence for Foreign Countries, through the United Kingdom, should therefore be 5d. on letters, and 3d. per four ounces on books, in addition to the rates in the table sent from hence, and the rates to be accounted for to this office should be the several sums specified in that table, without the addition of 3½d. per ounce on letters, and 5½d. per pound on books.

I have, &c.,

The Hon. John Hall, Wellington.

F. I. SCUDAMORE.

## No. 20.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

General Post Office,

London, 29th November, 1867.

SIR,—

Not printed.

With reference to your letter of the 8th of July last, with enclosed copy of instructions, and a table drawn up for the guidance of the New Zealand Mail Agents, showing the manner in which correspondence forwarded from New Zealand and Australia, by the route of Panama, to British Colonies and Foreign States in America, and to my reply of the 23rd of September, I beg to inform you that the Agent of this Department at Panama, to whom I sent a copy of your letter above referred to, has represented that it would be a great convenience to his office at times when the pressure of work is very great, if all correspondence from New Zealand and Australia for British America, Bermuda, British Guiana, and all places in the British West Indies, except Jamaica, were sent in mails for the British Packet Office at St. Thomas, instead of to Panama; and I have to request that you will be good enough to give directions accordingly. Letters for Jamaica should continue to be sent to Panama.

I have further to state that correspondence for the Colonies of Bahamas and British Honduras should, for the present, be sent in the mails for London, in order that it may be included in the mails made up here for those Colonies, and which are now forwarded through the United States.

I am, &c.,

The Hon. John Hall, Wellington.

F. HILL.

## No. 21.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to the SECRETARY, General Post Office, Sydney.

General Post Office,

Wellington, 5th March, 1868.

SIR,—

No. 20 of this  
series.

I am directed to forward to you the enclosed copy of a letter received from the General Post Office, London, pointing out the manner in which it is desired the correspondence from New Zealand and the Australian Colonies, by the route of Panama, to British Colonies and Foreign States in America, should in future be forwarded, of which change I request you will be good enough to inform the other Australian Colonies.

I have, &c.,

The Secretary, General Post Office, Sydney.

G. ELLIOTT ELLIOTT,

Secretary.

## No. 22.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to the SECRETARY, General Post Office, London.

General Post Office,

Wellington, 6th March, 1868.

SIR,—

Nov. 29, 1867,  
No. 20 of this  
series.

I have the honor to acknowledge receipt of your communication noted in the margin, intimating that correspondence from New Zealand, by the route of Panama, to British Colonies and Foreign States in America, should in future be forwarded in the manner pointed out in your letter, and to inform you that instructions have been given accordingly.

A copy of your letter has been sent to the Postmaster-General, New South Wales, with a request that the several Australian offices be instructed also to forward the correspondence in the manner indicated by your letter.

I have, &c.,

The Secretary, General Post Office, London.

G. ELLIOTT ELLIOTT,

(for the Postmaster-General.)

## No. 23.

Copy of a Letter from Mr. F. HILL to the Hon. JOHN HALL.

General Post Office,

London, 26th November, 1867.

SIR,—

Referring to my letter of the 1st of July last, upon the subject of the reduction of the Panama No. 6 of Panama transit rates, upon newspapers, book packets, and packets of patterns, I regret to find that in that letter Papers, 1867, the rate per lb., at which postage is still to be accounted for upon books and patterns, wasi nadvertently E.—No. 3A, given as 1s. 6d. 3-16, instead of 1s. 1d. page 2.

The Postmaster-General, Wellington.

I am, &amp;c.,

F. HILL.

## No. 24.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to the SECRETARY, General Post Office, London.

General Post Office,

Wellington, 18th March, 1868.

SIR,—

I have the honor to acknowledge the receipt of your letter noted in the margin, respecting an Nov. 26, 1867, error at which the rate per lb. postage is to be accounted for upon books and packets for the Panama No. 23 of this transit. series.

I have, &amp;c.,

G. ELIOTT ELIOTT,

(for the Postmaster-General.)

The Secretary, General Post Office, London.

## No. 25.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

General Post Office,

Wellington, 8th October, 1867.

SIR,—

With reference to previous correspondence on the subject of the transmission of letters and June 21, 1867. newspapers sent from this Colony to British America *via* Panama, I have the honor to enclose copy of a letter from the Secretary to the Canadian Post Office, requesting that such correspondence may be sent from Panama by way of Aspinwall and New York, instead of by St. Thomas and Bermuda, as at present.

I should feel obliged by your informing me, whether you are aware of any objection to this proposal being adopted, and whether it will be necessary, as a preliminary measure, that special arrangements should be made with the United States Post Office for the transmission of the correspondence in question.

I have, &amp;c.,

JOHN HALL,

Postmaster-General.

The Secretary, General Post Office, London.

## Enclosure in No. 25.

Copy of a Letter from Mr. WHITE to the Hon. the POSTMASTER-GENERAL.

Ottawa, 21st June, 1867.

SIR,—

I am directed by the Postmaster-General of Canada to inform you that it has been observed that most of the correspondence received in this country from New Zealand, reaches Canada by way of Bermuda and St. Thomas.

The transmission of correspondence by this route is attended with additional expense, and occupies a longer time than by the New York route, and I am therefore to request that you will be so good as to give instructions for the transmission of all correspondence from New Zealand for Canada by way of Aspinwall and New York.

I have, &amp;c.,

WM. WHITE,

Secretary.

The Postmaster-General, Auckland, New Zealand.

## No. 26.

Copy of a Letter from the SECRETARY, General Post Office, London, to the Hon. JOHN HALL.

General Post Office,

London, 16th December, 1867.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 8th of October last, No. 25 of this enclosing copy of a letter received by you from the Canadian Post Office, in which it is requested that series. correspondence sent from New Zealand to Canada may be sent by the route of the United States, instead of by the route of St. Thomas, as at present.

You inquire whether, before this request is complied with, a communication should be addressed to the United States Post Office upon the subject; but the request of the Canadian Post Office is so specific in its terms that I think it may be complied with without communicating with the United States Post Office beforehand.

The correspondence for Canada should be tied up separately, and placed in the United States mail.

I have, &amp;c.,

F. HILL.

The Hon. John Hall, Wellington.

## No. 27.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to the SECRETARY, General Post Office, Ottawa.  
General Post Office,

SIR,—

Wellington, 17th March, 1868.

No. 25 of this series.

I am directed to acknowledge the receipt of your letter of the 21st June last, respecting the transmission of correspondence from New Zealand for Canada *via* Panama, and to inform you that in future such correspondence will be tied up separately, and placed in the United States mail, as requested by you.

A letter has been addressed to the Secretary of the General Post Office, Sydney, forwarding a copy of your letter above referred to, with a view to the adoption of the same course by that and the other Australian Colonies.

I have, &amp;c.,

G. ELLIOTT ELLIOTT,

The Secretary, Post Office Department, Ottawa.

Secretary.

## No. 28.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to SECRETARY, General Post Office, Sydney.

General Post Office,

Wellington, 17th March, 1868.

Nos. 25, 26, and 27 of this series.

SIR,—

I have the honor to enclose herewith for your information and guidance, a copy of correspondence which has taken place between the Canadian Post Office, the London Office, and this Department, respecting the transmission of letters, &c., from New Zealand, *via* Panama, for Canada, and to inform you that correspondence from this Colony for Canada, by that route, will in future be forwarded in the manner directed by the Secretary of the London Office.

The Postmaster-General deems it desirable to communicate this information to you, in order that you may address the several Australian Colonies on the subject, should you think it necessary.

I have, &amp;c.,

G. ELLIOTT ELLIOTT,

The Secretary, General Post Office, Sydney.

Secretary.

## No. 29.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to SECRETARY, General Post Office, London.

General Post Office,

Wellington, 17th March, 1868.

No. 26 of this series.

SIR,—

I have the honor to acknowledge receipt of your letter of 16th December last, in reply to my communication of the 8th October, respecting the transmission of correspondence from New Zealand to Canada, and to inform you that the Mail Agents on the Panama line of service will be instructed in future to have the correspondence for Canada tied up separately, and placed in the United States mail, as pointed out by you.

I have, &amp;c.,

G. ELLIOTT ELLIOTT,

The Secretary, General Post Office, London.

(for the Postmaster-General.)

## No. 30.

Copy of a Letter from Mr. G. ELLIOTT ELLIOTT to the SECRETARY, General Post Office, Sydney.

General Post Office,

Wellington, 20th December, 1867.

Printed as No. 20 of Panama Papers, 1867, E.—No. 3A, page 6.

SIR,—

Referring to your letter 67-4537, of 12th July last, on the subject of the rate to be charged against the Colony of Tasmania for mails conveyed *via* Panama, I am directed to request you to be good enough to inform me, whether the Tasmanian office has agreed to pay the twenty shillings per pound weight (20s. per lb.) on correspondence from London.

I have, &amp;c.,

G. ELLIOTT ELLIOTT,

The Secretary, General Post Office, Sydney.

Secretary.

## No. 31.

Copy of a Letter from Mr. S. H. LAMBTON to the SECRETARY, General Post Office, Wellington.

General Post Office,

Sydney, 20th January, 1868.

SIR,—

I do myself the honor to inform you, in reply to your letter dated the 20th December last, that the Tasmanian Government declined to pay the 20s. per lb. on the gross weight of correspondence forwarded from London to that Colony, *via* Panama.

A further communication on the subject has however been sent from this Government to the Tasmanian authorities, to which no reply has yet been received.

I have, &amp;c.,

S. H. LAMBTON,

The Secretary, General Post Office,  
Wellington, New Zealand.

Secretary.

## No. 32.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to the SECRETARY, General Post Office, Sydney.

General Post Office,  
Wellington, 26th February, 1868.

SIR,— I have the honor to acknowledge receipt of your letter No. 6817, of 20th ultimo, stating that a further communication had been addressed to the Tasmanian Government respecting the rate to be charged against that Colony for Mails conveyed *via* Panama, and I am directed to inform you that it is presumed you are aware that the Tasmanian Post Office is getting credit for postage collected in London on correspondence by this route.

I have, &c.,  
G. ELIOTT ELIOTT,  
Secretary.

The Secretary, General Post Office, Sydney.

## No. 33.

Copy of a Letter from Mr. J. DALGARNO to the SECRETARY, General Post Office, Wellington.

General Post Office,  
Sydney, 30th March, 1868.

SIR,— I do myself the honor to acknowledge the receipt of your letter (F. 68-41) dated 26th ultimo, and am directed by the Honorable the Postmaster-General to state in reply, that since direct mails have been made up in London for Tasmania and other non-contracting Colonies, as agreed upon in the letter from the London Office dated 19th June last, those Colonies have doubtless received credit for postage collected in London, to which they are fully entitled. The charge of twenty shillings per lb. has of course been debited to the Colonies on all mails to and from, that have passed through this office, and it is presumed that the same course has been adopted by you in the case of mails passing through the Wellington office.

I may add, that a Statement of Account to the 31st December, 1867, has lately been forwarded to the various non-contracting Colonies.

I have, &c.,  
JAS. DALGARNO,  
(for Secretary).

The Secretary, General Post Office, Wellington.

## No. 34.

Copy of a Letter from the Hon. JOHN HALL to the POSTMASTER-GENERAL, Sydney.

General Post Office,  
Wellington, 8th June, 1868.

SIR,— I have the honor to inform you that in consequence of the contemplated acceleration of the mail service between Southampton and Aspinwall, the Panama steamers will, in future, be due in Sydney on the 28th or 29th of each month, according as the previous month may have contained thirty or thirty-one days.

The date for the despatch of the steamer from Sydney for Panama cannot at present be fixed later than the 2nd of the month, but it is hoped that a further improvement in this respect will eventually be effected.

I have, &c.,  
JOHN HALL,  
Postmaster-General.

The Hon. the Postmaster-General, Sydney.

## No. 35.

Copy of a Letter from Mr. S. H. LAMBTON to the SECRETARY, General Post Office, Wellington.

General Post Office,  
Sydney, 2nd July, 1868.

SIR,— I am directed to acknowledge the receipt of the Hon. the Postmaster-General's letter of the 8th ultimo, intimating that the Panama Mail Steamers will, in future, be due in Sydney on the 28th or 29th of each month, according as the previous month may have contained thirty or thirty-one days; and also that the despatch of the Panama Mail from Sydney will be on the 2nd of each month, instead of the 1st as heretofore.

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

The Secretary, General Post Office, Wellington,  
New Zealand.

## No. 36.

Copy of a Letter from the Hon. JOHN HALL to the SECRETARY, General Post Office, London.

General Post Office,  
Wellington, 13th May, 1868.

SIR,— I beg leave to draw your attention to the frequent delays which have for some months past taken place in the arrival at Colon of the Royal Mail Steamers from Southampton, and which delays have so seriously retarded the arrival of the mail steamers from Panama to New Zealand and Australia as very greatly to detract from the value of this service to those Colonies.

As the Colony does not contribute to the subsidy paid to the West India Mail Steamers, it is not in a position to make a positive complaint on the above subject; but as the irregularities in question, if continued, will have a very unfortunate effect upon the mail service from Panama, subsidized by this Government and that of New South Wales, which the Imperial Government has evinced a disposition to encourage, I trust that you will address such representations to the Royal Mail Company as will ensure greater punctuality being observed in future.

The Secretary, General Post Office, London.

I have, &c.,  
JOHN HALL,  
Postmaster General.

## No. 37.

Copy of a Letter from the SECRETARY, General Post Office, London, to the Hon. JOHN HALL.  
General Post Office,

SIR,—

London, 24th July, 1868.

Referring to your letter of the 13th May, I beg to acquaint you that, by the terms of the contract with the Royal Mail Steam Packet Company, this department is unable to require the packets to go beyond a certain rate of speed; but there is reason to believe that by an arrangement which has been recently sanctioned an acceleration in the mail service to the Isthmus of Panama and New Zealand may be expected.

By this arrangement, which commenced with the packet from Southampton of the 2nd ultimo, the transfer at St. Thomas of the mails, &c., to a branch steamer has been discontinued, the Atlantic steamer going on to Colon. As an instance of the improvement which this alteration has already effected, I may state that the packet from this country of the 2nd ultimo, and that of the 2nd instant, both arrived at Colon before time, the latter four days, thus enabling a corresponding earlier despatch to be made to New Zealand of the packet from Panama.

The Postmaster-General, Wellington.

I have, &c.,  
F. HILL.

## No. 38.

Copy of a Letter from Mr. HENRY HALLORAN to the Hon. E. W. STAFFORD.

Colonial Secretary's Office,

SIR,—

Sydney, N.S.W., 9th September, 1868.

I have the honor to inform you, in reply to the third paragraph of your letter of the 14th July last, received on the 5th ultimo, that it is the desire of this Government, as was suggested at the time of the late Mr. Crosbie Ward's visit to Sydney, that the Postmaster-General of this Colony should be appointed agent of the Postmaster-General of New Zealand, for the purpose of giving effect to the provisions of the postal contract with the Panama New Zealand and Australian Royal Mail Company, especially to clauses 17, 19, and 20, and part of 12; and to request that the appointment may be made at your early convenience.

I have, &c.,

The Hon. the Colonial Secretary of New Zealand.

HENRY HALLORAN,  
(for the Postmaster-General).

## No. 39.

Copy of a Letter from the Hon. the COLONIAL SECRETARY, New South Wales, to the Hon. E. W. STAFFORD.

Colonial Secretary's Office,

SIR,—

Sydney, 2nd July, 1868.

I have the honor to invite your attention to the circular despatch of the Right Hon. the Secretary of State for the Colonies, dated 19th October, 1867, and its enclosures, with reference to the system of ocean mail services recommended in the Memorial to Her Majesty from the Representatives of the Australian Colonies and New Zealand assembled at the Melbourne Conference. It will be observed from the extract from the Report of the Postmaster-General, enclosed in the despatch of His Grace the Duke of Buckingham, that the interests of the whole of Australia and of New Zealand were considered in the inexplicable supposition that those interests were represented by a part of the inhabitants of Melbourne, who, in their opposition to the recommendations of the Conference of March, 1867, acted avowedly from a desire to secure certain local advantages to their own city and port. In the argument of His Grace the Duke of Montrose, little or no weight is given to the circumstance that all the six Colonies under Responsible Government were represented at the Conference by members of their respective Executive Councils; and these Representatives, having an intimate acquaintance with the conflicting interests that must be made to harmonize in any general agreement, arrived at an unanimous approval of the postal scheme submitted in their Memorial. At the same time the views of the merchants and traders of Melbourne, who, it is well known, mainly objected to the conclusions of the Conference because the Port of Melbourne was not made the terminus of the line of steamers *via* King George's Sound, are dwelt upon as showing a want of unanimity on the part of the Colonies, notwithstanding that the proceedings of the Conference were in each case ratified by executive and parliamentary authority.

2. In this position of the postal question, I am directed by His Excellency the Earl of Belmore to transmit for your information the accompanying copy of a Minute of the Postmaster-General of this Colony, which has been agreed to by the Executive Council, and will be transmitted by the next mail

to the Secretary of State, as containing the views of this Government on the various points raised by the Duke of Montrose. The Government of this Colony cannot modify its opinion that it is now impossible for any ocean mail service by a single route, whether monthly or fortnightly, to satisfy the separate communities which are rapidly growing in social and commercial importance along an Australian seaboard of more than 2,000 miles, and over an inland territory 1,000 miles distant from the Australian coast. The service by way of Suez and King George's Sound would give the Colony of Victoria a pre-eminence in its relations with Europe at the cost of the rest of Her Majesty's Australian possessions, and not without inflicting on those most distant from the favoured Port of Melbourne an intolerable grievance. While the inhabitants of Victoria, from Melbourne being the first port of arrival and the last of departure, as well as from the comparative compactness of the territory, would be enabled at leisure to reply to their correspondence by each mail, the residents in the distant parts of the interior of this Colony would seldom or never enjoy the same means of communication; and even the mercantile community of Sydney would be placed at a manifest disadvantage. The Colonies of Queensland and New Zealand could not possibly be brought within the course of post by this route.

3. I am induced to hope, from the connection of this Colony with New Zealand in supporting the mail service *via* Panama, and from the commercial intercourse of the two Colonies, that your Government will be disposed to consider favourably any change that may have the effect of shortening the through passage between Sydney and Southampton. Now that the Atlantic passage is direct to and from Colon, the two subsidizing Colonies have a more urgent interest in improving the Pacific route, in order that the Panama mails may fairly compete with the mails *via* Suez. It has been represented to this Government that the time occupied by the passage between Sydney and Panama would be reduced by at least two days, if the New Zealand mails were delivered at the Bay of Islands instead of Wellington. The saving of time is an element so essential to the establishment of the Panama line, if the service is to be made available for the Australian Colonies, that it is not supposed that its importance will not be fully realized by you in considering the suggestion I have made.

4. I shall be glad to be informed of the views of the New Zealand Government on the subject to which I have invited your attention.

The Hon. the Colonial Secretary of New Zealand,  
Wellington.

I have, &c.,  
HENRY PARKES.

#### Enclosure 1 in No. 39.

MINUTE of the POSTMASTER-GENERAL upon an "Extract from the Report of the Postmaster-General (England) upon the proposals of the Postal Conference held at Melbourne."

By a circular despatch of His Grace the Secretary of State for the Colonies, dated the 19th October, 1867, and covering a letter from the Lords Commissioners of Her Majesty's Treasury, and an extract from a Report of the Postmaster-General, the Governments of the respective Australian Colonies are informed that "the Memorial signed by the Representatives of the several Australian Colonies who met in Conference at Melbourne in March, 1867, to consider the question of Postal Communication between Australia and this country (Great Britain), has been duly laid before Her Majesty."

This circular despatch further intimates "that Her Majesty's Government are unable to adopt the views expressed by the Delegates; and it will therefore further remain for the Governments of the Colonies concerned to consider whether they will undertake to provide in future for the postal service between Ceylon and Sydney on the terms mentioned in the Treasury letter."

His Grace also states that, "if this course should be decided on, it will be necessary he should be informed without delay whether it is desired that notice should be given to the Peninsular and Oriental Steam Navigation Company for the termination of the present contract."

Despatches have been received from the Governments of South Australia and New Zealand, dated respectively the 9th January and the 16th March, 1868, requesting to be informed what steps the Government of this Colony intended to take in reference to the subject matter of this circular despatch; but no official communication of a similar nature has been received from the other Colonies.

I have however been informed of a movement which has commenced in Melbourne, and some steps have also been taken by the Chamber of Commerce in Sydney, to bring the subject under the consideration of their respective Governments.

I therefore conceive it to be expedient that the Government should be prepared to adopt some course of action, either singly or in conjunction with the other Australian Colonies.

As a preliminary step, I propose to ascertain the grounds upon which Her Majesty's Government have based their non-acquiescence in the proposals of the Representatives of the Postal Conference at Melbourne.

These are to be found in a letter of the Lords Commissioners of Her Majesty's Treasury, 2nd October, 1867, and are founded upon the Report of the Postmaster-General, dated the 24th August 1867, their Lordships stating that they "are compelled to take a view of the matter differing from the views expressed by the Delegates of the Australian Colonies," and "that they entirely concur in the opinions expressed by the Duke of Montrose."

It will therefore be necessary to examine this Report analytically, to ascertain the views upon the subject entertained by Her Majesty's Government, and which they judged to possess such weight as to compel them to decline complying with the request of the United Colonies, embodied in the Memorial to Her Majesty adopted by their Representatives at Melbourne, and endorsed by their respective Legislatures and Governments; and to present the question more clearly, I shall place the objection and the reply in juxtaposition:—

#### Objection.

1. That the Representatives of the Colonies exceeded their powers, which were intended merely

#### Answer.

It is true that by a strict limitation to the letter of the recommendation of the Imperial Authori-

*Objection.*

to apply to concerting "an arrangement for conducting, under their own supervision, the packet service between Ceylon and Sydney;" but "these Delegates, instead of addressing themselves solely to the specific object which had been named, entered into a consideration of the general question of postal communication with the Mother Country."

*Answer.*

ties, some ground may exist for this objection. The words are to be found in the Treasury minute of the 4th September, 1866, upon the Report of the Select Committee of the House of Commons, 20th July, 1866, enclosed in a circular despatch of Lord Carnarvon, the Secretary of State for the Colonies, dated 22nd September, 1866. The words of the minute are these:—(After suggesting that an arrangement might possibly be made for the conveyance of the Australian mails from Galle by the vessels of the Messageries Imperiales.) "It now becomes necessary to consider in what manner the service between Point de Galle and the Australian Colonies is to be provided for, on the discontinuance of the present contract with the Peninsular and Oriental Steam Navigation Company. My Lords would be glad if the Australian Colonies would themselves, in combination, undertake to provide this service, in which case they would, as at present, be prepared, on behalf of the Imperial Government, to defray one-half of the reasonable cost of such service; and they would suggest that the Secretary of State for the Colonies should communicate with the different Colonial Governments with the view to such an arrangement being carried out."

But the expressions used in the despatch of the Secretary of State, covering this minute, do not confine the question to the narrow view indicated in this objection. They are as follows:—

"I request that you will lay these papers before your responsible advisers, in order that they may make known their wishes and views on the several questions raised in their Lordships' minute, so far as they affect the arrangements to be made for the conduct and maintenance of the postal service between this country and the Australian Colonies."

That the more extended view of the subject was also entertained in the Colonies, is evident from the correspondence inviting the Conference, convened in compliance with the suggestion contained in this minute of the Lords of the Treasury.

In the despatch of the Chief Secretary of Victoria to the Government of New South Wales, of the 10th October, 1866, he says:—"Adverting to the correspondence which has taken place respecting steam postal communication by the Suez and Panama routes, this Government having attentively considered the subject, are most desirous that such arrangements should be entered into by the Colonies interested in the question, as will place the services on a permanent and equitable footing."

Upon the 26th November he again writes, with reference to the desire expressed in the Treasury minute that the Colonies should undertake the joint control of the contract, that this "appears to the Government of Victoria to afford an additional reason to those already urged," for "the full discussion of all matters connected with steam postal communication, in order that the whole question may be settled on equitable grounds for the common good."

Similar communications were addressed by him to the Governors of New Zealand, South Australia, Tasmania, Queensland, and Western Australia, in which he more explicitly states "that such a meeting should take place with the view to the whole question of steam postal communication with the United Kingdom being fully considered." In reply, the Colonial Secretary of New South Wales, in a despatch on the 10th December, 1866, states,— "On the importance of maintaining the through



*Objection.*

2nd. That "had their Lordships thought it likely that such a course would have been adopted, they would probably have deemed it proper to send out some person well acquainted with the facts of the case to act as their representative" (that is, as the representative of Great Britain); but as it was, there was no one at the meeting to represent British interests, as distinguished from those of the different Colonies, and British interests appear to a great extent to have been lost sight of.

3rd. That although "these resolutions, having been reported to the Governments of the different Colonies, \*\*\* appear to have received the sanction of the Executive of each Government," yet that "in the case of the very important Colony of Victoria," the "balance of legislative opinion is shown to be decidedly against the resolutions of the Delegates."

4th. That the request, as far as relates to the payment of a share of postal services *via* Panama and Torres Straits, is "but a repetition of what has already been refused;" and that "no new circumstances of importance have arisen since the questions relating to these two routes were settled," and that no reason exists "why the matter should be reopened." And His Grace further states—"It

*Answer.*

service, now that it has been successfully established, and the expediency of settling the whole question of ocean mail communication in equitable regard to the interests of all the Colonies, and on a basis that shall afford some prospect of satisfaction and permanence, this Government cordially concurs in your views as now communicated, and it reciprocates the desire you express for the promotion of friendly relations in all matters of inter-colonial interest \* \* \* \* For these reasons, it appears the more desirable that the whole group of British communities in this part of the world should be represented at any such Postal Conference as you suggest and invite, in order that the remoter as well as the more immediate advantages to be derived from each separate line of communication, both singly and forming a part of a system, may be considered thoroughly and from opposite stand-points."

Any attempt, therefore, to consider the question limited to the narrow view indicated by His Grace in this report, would have been utterly futile; as by this limitation the question is not open as to the conveyance of the mail from Galle, but is narrowed to its conveyance *via* King George's Sound—the objectionable feature in the scheme.

2nd. It is difficult to imagine in what manner British interests were disregarded in consequence of the absence of a British delegate at the proceedings of the Conference. His Grace does not point this out, and it must therefore be left to conjecture. An attentive perusal of the Memorial adopted by the Delegates will show that British interests occupied as large a share of their attention as Colonial ones; and indeed it scarcely admits of a doubt that any measure which would advance Colonial interests, and at the same time unite them more intimately with Great Britain, must produce a corresponding advantage to the latter.

3rd. The proceedings and resolutions of the Conference having been unanimously endorsed by the Legislatures of all the other Australian Colonies, it is matter of surprise that no importance whatever has been attached to their views; while the opinions entertained by "two-fifths of the Legislative Assembly and the whole of the Legislative Council of Victoria" are considered of sufficient weight to induce the Imperial Government to refuse the proposition of the United Colonies. The Victorian Government, which it is humbly conceived was the sole authority which should have possessed weight with Her Majesty's Government, faithfully discharged the obligations which they had undertaken in concert with the Governments of the other Colonies, and pressed the adoption of the resolutions of the Conference, even at the risk of a vote of want of confidence. His Grace considers that the question was only carried by its assuming a political aspect, and that the opinion of opposition would have been more manifest, had not the question been treated as one of confidence in the Ministers. Might it not also have been assumed that the opposition to the proposal of the Conference was itself a political move?

4th. The refusal of the Imperial Government to contribute a subsidy to the mail routes *via* Panama and Torres Straits, was made under very different circumstances. The former applications to the Imperial Government for assistance to these ocean mail routes were made by individual Colonies acting under the non-concurrence of the others. But even under these unfavourable circumstances,

*Objection.*

is clear to my mind that the general interests, both of the Mother Country and of the Colonies, require that the services should be by the way of Suez and King George's Sound.

*Answer.*

the proposals for the establishment of one (if not of both) of these lines received the favourable consideration of Her Majesty's Government; and the Government of this Colony could not conceive that they were exceeding the bounds of their public duty by resubmitting the question to the Colonial Conference. For the Lords Commissioners of the Treasury informed Sir E. B. Lytton, on the 16th October, 1858, that "with regard to the question of establishing a second monthly service, and the advisability of adopting the Panama route as the alternative line, my Lords are carefully considering this question, in order to see how the wishes and interests of the Colonies may best be met." On the 15th November, 1858, my Lords again write—"In reference to the establishment of the second route *via* Panama, my Lords have observed with satisfaction that the subject is now engaging the attention of the Colonies, as their desire to see this line of communication opened up, in conformity with the intimation conveyed in the notice appended to the advertisement for the service *via* Suez continues unabated."

On the 19th April, 1859, by a Treasury minute of that date, their Lordships write—"Considering the vast importance to the Australian Colonies, especially to New South Wales and New Zealand, of a communication which, amongst other advantages, will afford them facilities of intercourse with the whole continent of America, from which they are at present comparatively excluded, and looking to the very liberal manner in which the Government of New South Wales have come forward in support of this scheme, my Lords are of opinion, that they ought no longer to delay fulfilling the intention which they formerly announced of inviting tenders for this service." Their Lordships annexed certain conditions, which were—1st, that the amount is reasonable (estimated at £160,000); 2nd, that the service should harmonize and alternate with the Suez service; and 3rd, that the Government of the Australian Colonies would undertake one entire half of the cost of both the services *via* Suez as well as *via* Panama, whatever that may be. These tenders appear to have been called for on the 20th May, 1859, and copies of the tenders sent in (six in number) were forwarded to this Government. Before these were decided upon, a change of Ministry took place; and the question, in common with the whole subject of ocean postal contracts, was referred to a Select Committee of the House of Commons. This was the position of a question, which His Grace designates as refused, and finally settled. But Her Majesty's Government subsequently, upon the route being established by the conjoint action of the Governments of New South Wales and New Zealand, agreed to carry the mails to Colon free of cost, as the contribution of the Imperial Government, an arrangement which is still in force. No request made by this Colony for the establishment of a second mail service *via* Torres Straits has been refused, the various minutes and despatches upon the subject having simply remained unanswered, with the single exception of a request of the Secretary of State for the Colonies, 14th October, 1864, to the Governor of New South Wales, that he would convey the thanks of Her Majesty's Government to Captain Van Rees, of the Dutch corvette "D'Jambé," for his valuable information on the subject.

Why His Grace should differ from the conclusions arrived at by previous Administrations, and why it is so "clear that the general interests both

*Objection.*

5th. That the Delegates committed an error in computing the comparative time occupied by the mail steamers in the conveyance of letters by the respective routes, by the period required *via* Southampton instead of that *via* Marseilles.

6th. That "by no possibility could the regular fortnightly communication spoken of by the Delegates in their tenth Resolution be established in the way they propose, inasmuch as \* \* \* it would be beyond human power to divide the month equally."

7th. That, in truth, it is clearly not for the improvement of the service that the resolutions of the Delegates are framed, "but that which is sought to be greatly altered is the incidence of payment."

8th. That although, "in some of the despatches from the Governors of the Australian Colonies, and in the report of the proceedings of the Delegates, great stress is laid upon the magnitude of the commerce now existing between the United Kingdom and Australia," such fact (however much the subject for rejoicing) does not appear to have any application to the question now under consideration; this question being not whether there should be much or little postal communication

*Answer.*

of the Mother Country and of the Colonies require that the services should be by the way of Suez and King George's Sound," is not pointed out; unless it is to be inferred that His Grace has relied alone upon the opinions expressed by the minority in the Victorian Legislative Assembly, and the statements of the Melbourne Chamber of Commerce (both avowedly interested in an adverse view of the question), to the exclusion of those entertained and expressed by the other Colonies, and recommended by the respective Governments, including that of Victoria.

5th. It is so manifestly unfair to compute the comparative time occupied by the respective routes, by the period required *via* Marseilles, that it scarcely requires an answer. This route is not available to the great bulk of correspondents by reason of its cost, which also operates upon the transmission of important documents, such as Government despatches, which, from their bulk and weight, are necessarily forwarded *via* Southampton.

If important matters require an acceleration in the time of transit, the still more rapid method of the telegraphic line is available, and has been applied; but this, like the shorter period *via* Marseilles, is entirely a question of cost, to be estimated and decided upon by the degree of emergency. But this objection would have no weight at all in regard to a line *via* Torres Straits; the Marseilles route being equally available for a mail delivered by that line as for the one *via* King George's Sound. For all practical purposes, therefore, as far as this Colony is concerned, the comparative time must be computed *via* Southampton.

As the tables relied upon by His Grace do not furnish the materials for this computation, recourse must be had to such materials as can be furnished by the records of this office.

6th. As the contract time for the respective services is: Southampton *via* Suez, fifty-seven days, and Southampton *via* Panama, fifty-nine days, it certainly does not appear impossible or "beyond human power" to establish a fortnightly service by alternating the despatch of mails by the respective lines,—say the 1st and the 15th of the month. Under the old arrangement of the monthly mail, which was despatched from London *via* Suez on the 20th of every month, this arrangement could have been easily effected by despatching the mail *via* Panama on the 4th. It is true that, under the present arrangement, by which the despatch of Australian mails is made entirely subservient to the Indian and West Indian service, some difficulty might present itself; but even this would not apply to the route *via* Torres Straits, as the Australian mail would then be forwarded to Singapore by the alternate fortnightly China mail, and the service, if not the month, would be divided equally.

7th, 8th, 9th, and 10th. As the objections urged in these paragraphs are those which most concern this Colony, as being calculated to excite feelings of dissatisfaction in the minds of its residents, I propose to make any observations I may suggest applicable to them collectively.

The effect of His Grace's remarks is this—that the Colonies, moved by feelings of rivalry, and influenced alone by local considerations, have endeavoured to introduce a change in existing postal arrangements, not with a view to improvement in the service, but solely with a view of relieving themselves from the burthen now imposed upon them, by removing the incidence of the same to Great Britain; and that, moved by considera-

*Objection.*

between the two countries, but how this communication can best be effected, and on the most economical terms.

9th. That if this renewed demand for assistance in the postal services *via* Torres Straits and Panama was yielded to, the question would not be settled, because, in addition to the services now called for, application would soon be made for a second monthly service *via* Suez and King George's Sound; and finally, His Grace states,—

10th. "That, having regard to all the interests concerned, to those of the Mother Country, and to the general benefit, as distinguished from matters arising from rivalry and local considerations, of the Australian Colonies and New Zealand, I feel bound, in the discharge of my public duty, to recommend your Lordships not to comply" with the present application.

*Answer.*

tions of economy (which is the only question to be considered in the matter), Her Majesty's Government is advised to resist.

It is much to be regretted that such sentiments should have been expressed, especially when the facts of the case present the subject in a totally different light.

The feelings of rivalry which have been exhibited during the discussion of this question have been displayed in a single Colony only; certainly not without result, as His Grace appears to attach the greatest weight to the opinion there entertained, to the total exclusion of all others. When the cause of this rivalry is examined into, it will be seen to arise from the selfish desire manifested (not by the majority or by the governing powers) but by a minority to obtain exclusive advantages for themselves, and at the expense of the other Colonies.

With regard to local considerations directing the action of the Colonies, it is difficult to imagine what other motives could be supposed to influence them, when the sole question was that of service in return for expenditure. Confining the question to this Colony,—from its geographical position it is evident that, whatever route was adopted, in one and all Sydney must be the last port of arrival and the first of departure, while the period occupied by the voyage would be the same in all. The only possible exclusive advantage this Colony could derive from any service would be the benefit conferred upon the port by the refitting of the vessels employed.

Now, did the line of conduct pursued by this Colony, during the deliberations which preceded the adoption of the Memorial to Her Majesty, show that such motives of action could with any truth or justice be imputed to it?

On the contrary, waiving all local considerations, and looking only to the very great benefits which united action on the part of the Australian Colonies would confer upon all, and looking also to the fact, as expressed by His Grace, that "whatever would inflict postal injury on any of the Colonies, would likewise injure the Mother Country," this Colony at once proposed to take upon herself a much larger share of the common burthen than the advantages she would receive under the proposed scheme could have rendered her liable to.

The Colonies thought, and still think, that the magnitude of the commerce now existing between the United Kingdom and Australia did form a very important element in the question under discussion; and as, in the various discussions with Her Majesty's Government on the various postal schemes from time to time submitted for consideration, the Imperial Authorities had always laid peculiar stress upon the point that the Colonies should pay a moiety of the cost whatever that might be, they did not anticipate an objection of this nature arising on the part of Her Majesty's Government.

Each Colony felt that, in making any individual arrangement for postal communication with Great Britain, the advantages of which (whatever they might be) would be equally enjoyed by the Colony and the Mother Country, the cost of such service should be equally borne by the parties interested, and that Her Majesty's Government would not confine such a measure of justice to a single Colony, but would place others on a similar footing. If individual Colonies had entered into the separate arrangements necessary to meet exclusively their

*Objection.**Answer.*

individual interests, the assistance they would have been entitled to expect from the Imperial Treasury (if the principle of assistance had been admitted in the case of any one of them) would, in the aggregate, have exceeded the amount which the Postal Conference had fixed as the limit.

By concurrence in this proposal, the question, as affecting the interests of all the Colonies, would have been finally settled, and no room could have been left for "the renewed application" for the exclusive benefit of one Colony, which His Grace appears to consider would have been inevitable.

Whatever may be the effect upon the interest of the Mother Country, it is very evident that no other plan than one similar to that proposed by the Melbourne Conference can satisfy the requirements of either Queensland or New Zealand; the service or services *via* King George's Sound can never confer upon these Colonies the advantages of a once in four weeks post.

The establishment of a fortnightly mail by this route would restore to New South Wales the postal service she enjoyed under the old system of a monthly service; but at an enormous increase of expenditure, caused by the cessation of the shares of Queensland and New Zealand to the subsidy. I apprehend that even the measures of coercion indicated in His Grace's report, viz., the levying of a postage not less than 1s. 6d. (treble the postage to be paid by Victoria) upon all letters addressed to Colonies not contributing to the cost of the service, and the "simple" (but unprecedented) "expedient of increasing inter-colonial postage to a high rate during the time any packet remains for Suez, in any Australian port," would fail in inducing these Colonies to contribute to a service from which they could not possibly derive any advantage.

It is impossible to avoid contrasting these coercive suggestions with the very different conduct pursued by the Colonies of New South Wales and New Zealand towards the non-contributing Colonies to the Panama line; letters from which are carried by this line at a charge of 20s. per pound weight, being an average rate of 1s. 6d. the half-ounce letter, but by the weights of the majority of the letters reduced to a rate of 6d.

His Grace further says, "that without a second service by this route" (viz., King George's Sound) "Australia will soon be almost the only part, not merely of Her Majesty's dominions, but of the whole civilized world, which has not a good post with this country at least twice a month."

The Government of this Colony are fully aware of the truth of this remark, and have for many years made the most strenuous exertions to remedy the evil; but they cannot admit that a second service *via* King George's Sound would confer this necessary benefit. By the present arrangement, the important and daily increasing Colony of Queensland is entirely deprived of the advantage of even a monthly post, and the same disadvantage extends to the greater portion of this Colony. The establishment of a fortnightly mail, either *via* King George's Sound or alternately by Torres Straits, would restore to this Colony and Queensland this monthly post; but neither of them would confer the advantages of a fortnightly communication, unless some scheme similar to the one subsequently laid down is adopted.

The second route *via* King George's Sound would confer upon Melbourne, and Melbourne only, a fortnightly post—the alternative of a second mail coming by Torres Straits would place

*Objection.**Answer.*

Melbourne in the same position as the other Colonies. But it is at this point that the "incidence of payment" steps in. The Northern Colonies are asked to contribute to the establishment of this fortnightly mail *via* King George's Sound, at a greatly increased expense, and in the same proportion as if they also received a corresponding benefit; and to ensure their compliance with this request, it is recommended that they shall be subjected to a little "gentle pressure" in the shape of increased postage.

His Grace lays great stress upon the necessity of considering this question from an economical point of view only.

This creates some little surprise in the minds of the Colonists, when they recall the very liberal provision the Imperial Government has hitherto made for mail contracts to foreign countries, and to other British Colonies, the exclusive burthen of which has been borne by herself. The Colonists do not complain at being required to bear a portion of this burthen, even to the extent of so large a share as a moiety, although such a payment constitutes a very heavy pressure upon their slender resources. His Grace relies upon the table of relative expenditure attached to his report, which, although not assumed to be strictly accurate, is yet presumed to present a fair statement of the probable expenditure required to carry out the various proposals. This document appears to have been drawn up to contravene a statement of Mr. Verdon, the late Treasurer of Victoria, that the expense of a fortnightly mail *via* Suez would cost Victoria £120,000 if she was left to pay the whole of the Australian subsidy. Drawn up for a special purpose, it may be expected to contain errors, which indeed abound to an extent which will convey quite erroneous impressions. This table estimates the cost of a service twice a month *via* Suez (King George's Sound) at £277,388, of which the amount supposed to be contributed by this Colony is set down at £17,384, and by Queensland, £12,956. Now as, under the arrangement at present in force for a four-weekly mail at an expense of £179,114, the amounts allotted respectively are, to this Colony £21,360, and to Queensland £12,425, it is difficult to imagine that these figures can be relied upon, because, if correct, Sydney is supposed to receive a double service at a diminution of charge of £3,976, while Queensland receives the same advantage for the slight increase of £531. In the same document the expense of a service from Singapore to Brisbane is estimated at £90,000.

We are left to conjecture from what data this estimate is derived; but that it is considerably overrated is evident, from the fact that tenders for the performance of the service had been sent in to the Government of Queensland. The first of these undertakes to perform a monthly service between Sydney and Singapore, at the mileage rate of 10s. 6d. per nautical mile, at an average speed of eleven knots an hour to the measured mile.

The second tender is to perform the monthly service between Singapore and Brisbane at an average speed of nine knots, for the sum of £43,000, or if extended to Sydney £45,000, per annum.

The third tender is to perform the monthly service between Batavia and Sydney, calling both ways at Brisbane, Macassar, Cape York, and Port Denison, for the sum of £30,000 per annum, the average speed to be ten knots, and the voyage to be performed in seventeen days.

*Objection.**Answer.*

It is true these latter tenderers only tender to perform the service from Batavia, and expected to receive a subsidy of £25,000 in addition from the Batavian Government; but as the expense of the conveyance of mails from Batavia to Singapore was estimated by previous parties at £1,000 per annum, this would not add much to the expense.

The only additional "incidence of expense" to Great Britain for a fortnightly communication would be the increased share she would be called upon to pay for the transit of the mail from Galle or Singapore (as the case may be) to Australia, and a moiety of the expense of the double branch lines. The conveyance of the mails to Galle or Singapore would not add an additional sixpence to the expense incurred by Great Britain, as the contracts for the India and China mails would remain the same if the Australian mails were not conveyed by them. In fact, the burthen of the Mother Country would be diminished in proportion to the amount imposed upon the Australian Colonies for the performance of this service, because the China subsidy is entirely borne by Great Britain.

The same remarks apply to the Panama route. If Great Britain contributed to the expense of the line from Panama, she was invited to estimate the expense of conveying the mails to Colon; the moiety of which then imposed upon the Colonies would have been a direct diminution of the subsidy paid to the Royal West Indian Mail Company, at present sustained entirely by Great Britain.

But His Grace intimates—"It is fair to remark that the cost (of the route *via* Suez and King George's Sound will probably soon be enhanced by the withdrawal of most of the Indian letters from the packets conveying the Australian mails between Suez and Ceylon."

It is this uncertainty with regard to the "incidence of payment" to which they might be subjected that creates alarm in the Colonies. They find the contract for conveying the Indian mails, a portion of which is charged against the Australian Colonies, suddenly raised from £230,125 to £400,000. They find also a provision in the contract by which the same may be further increased to £500,000, in the event of a certain amount of interest on the capital of the Peninsular and Oriental Company not being realized; and as that Company, in its last report, stated its losses during the previous year at £177,000 (which certainly would not leave any margin for the payment of this dividend, they do not entertain much doubt that the larger sum will be required. The Colonists therefore hesitate in regard to committing themselves to any indefinite expenditure, over which they have no control, or even possess the power of examining into.

With regard to the reply which is to be given, in concert with the other Australian Colonies, to the question proposed for their consideration, "Whether they will undertake to provide in future for the postal service between Ceylon and Sydney, on the understanding that the Mother Country will pay one-half of the reasonable expense,"—it will be evident from the foregoing remarks, that neither the service *via* King George's Sound, or *via* Torres Straits, would afford to this Colony the advantage of a regular fortnightly mail; that in fact this is only to be obtained by such a modification of the services *via* Suez and Panama as will make them harmonize. This Colony, therefore, occupying as it were a neutral position in the question of the respective routes from Ceylon, can only afford its aid to either of these routes with a view of harmonizing the interests of Colonies more directly affected by them. It was this view of the question which influenced the Delegates of New South Wales at the Melbourne Conference, when they voluntarily proposed, on behalf of this Colony, to take a larger share of the common burthen than any advantage conferred upon the Colony would have warranted. But they felt that the benefit and weight to be derived by uniting the Colonies in a Federal Bond in furtherance of any subject should be the paramount object—far transcending any question of mere economy. It is to be regretted that His Grace should have taken a different view, evidently moved by the opinions of

a section of one Colony only—and those opinions called forth, not upon the general features of the scheme, but by a collateral question not even mooted in the Conference.

The object of the opposition was solely to deprive this Colony of the only advantage she could derive from the postal scheme, with a view of accumulating in favour of Melbourne every possible advantage which it could confer, in addition to those which must unavoidably have fallen to her share. The rejection of this proposition by Her Majesty's Government, advised by His Grace, will reintroduce the elements of discord into communities which had arrived at a common bond of union.

Moved by these considerations, the Government of New South Wales have already earnestly requested Her Majesty's Government to reconsider their decision. Pending the reply, I submit the only scheme which appears to me to afford a possibility of working the arrangements for the Indian and China mails in such a manner as will confer upon the Australian Colonies the advantages of a fortnightly mail, distributed as equitably as possible to meet the various geographical positions and conflicting requirements of the various Colonies.

This Minute, I propose, should be submitted to Her Majesty's Government and to the Administrations of the respective Colonies, with an intimation that the Colony will be prepared to concur with them in a request for the establishment of a fortnightly mail, and to unite in calling for tenders for the same, upon the scheme proposed or some similar basis.

As the document is framed in the shape of a Time-table, the various authorities will be enabled to judge if it would in any manner meet their respective requirements, and could also form some estimate of the expenditure required to carry it out. It would also in some measure solve the vexed question of the terminus, as by this arrangement the terminus of one line of ocean steamers would be at Melbourne. The only disadvantage would be that it is purely Australian; excluding from the federal bond the very important Colony of New Zealand, destined in all probability, in the course of the future, to become the most important commonwealth in the Southern Hemisphere.

To show that some change is necessary, and that the arrangements at present in force have introduced a disturbing element in the transit of correspondence to and from Europe, I append a table which shows that the receipt of letters in this Colony by the Suez route has fallen off by about one-third during the period the new arrangement has been in force.

A corresponding diminution will also be observed in the numbers despatched from the Colony; and I understand that a similar result has occurred in Victoria.

I append a copy of a letter upon the subject, addressed to me by the Chamber of Commerce in Sydney, and a copy of a similar letter addressed to the Chief Secretary of Victoria by the Melbourne Chamber of Commerce, in which the views of the respective bodies are enunciated.

General Post Office,  
Sydney, 29th June, 1868. J. DOCKER.

Appendix C.

Appendix D.  
Appendix E.

APPENDIX.

A.

TABLE showing the Time occupied to and from England and New South Wales *via* Suez, *via* Panama, and *via* Torres Straits respectively, during the first seven months of 1867.

HOMEWARD.

Date of Despatch of Mails.	Date of Acknowledgment of Receipt of Mails in London.	Number of Letters by each Route.			Time occupied in reaching London.
		<i>Via</i> Suez.	<i>Via</i> Panama.	<i>Via</i> Torres Straits.	
Nov. 24, 1866...	Jan. 11 & 18, 1867 ...	17,061	.....	.....	55 days, <i>via</i> Suez and Southampton.
Dec. 1, 1866...	Feb. 1, 1867 ...	.....	1,912	.....	62 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
Dec. 24, 1866...	Feb. 11 & 16, 1867 ...	14,209	.....	.....	54 days, <i>via</i> Suez and Southampton.
Jan. 1, 1867...	March 1, 1867 ...	.....	2,555	.....	59 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
Jan. 24, 1867...	Mar. 14 & 21, 1867 ...	18,456	.....	.....	56 days, <i>via</i> Suez and Southampton.
Jan. 30, 1867...	April 3, 1867 ...	.....	2,417	.....	63 days, <i>via</i> Panama.
Dec. 15, 1866...	Mar. 3 & 8, 1867 ...	.....	.....	25	83 days, <i>via</i> Torres Straits.
Feb. 22, 1867...	April 12 & 18, 1867 ...	17,853	.....	.....	55 days, <i>via</i> Suez and Southampton.
Mar. 1, 1867...	May 14, 1867 ...	.....	3,255	.....	74 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
Mar. 24, 1867...	May 12 & 19, 1867 ...	16,862	.....	.....	56 days, <i>via</i> Suez and Southampton.
April 1, 1867...	May 27, 1867 ...	.....	3,346	.....	56 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
April 24, 1867...	June 14 & 19, 1867 ...	16,638	.....	.....	56 days, <i>via</i> Suez and Southampton.
May 2, 1867...	June 26, 1867 ...	.....	4,039	.....	55 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
May 24, 1867...	July 20 & 25, 1867 ...	17,715	.....	.....	62 days, <i>via</i> Suez and Southampton.
June 1, 1867...	July 27, 1867 ...	.....	2,628	.....	56 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.



## OUTWARD.

Date of Despatch of Mails from London.	Date of Arrival in Sydney.	Number of Letters by each Route.			Time occupied in reaching Sydney.
		Via Suez.	Via Panama.	Via Torres Straits.	
Nov. 20, 1866...	Jan. 13, 1867 ...	20,592	.....	.....	54 days, <i>via</i> Suez and Southampton.
Dec. 3, 1866...	Feb. 4, 1867 ...	.....	6,682	.....	63 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
Dec. 20, 1866...	Feb. 15, 1867 ...	18,037	.....	.....	57 days, <i>via</i> Suez and Southampton.
Jan. 2, 1867...	Mar. 3, 1867 ...	.....	5,465	.....	60 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
Jan. 19, 1867...	Mar. 19, 1867 ...	18,152	.....	.....	59 days, <i>via</i> Suez and Southampton.
Feb. 2, 1867...	April 19, 1867 ...	.....	5,498	.....	76 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
Feb. 20, 1867...	April 16, 1867 ...	19,732	.....	.....	55 days, <i>via</i> Suez and Southampton.
Mar. 2, 1867...	May 1, 1867 ...	.....	5,184	.....	60 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
Mar. 20, 1867...	May 13, 1867 ...	16,125	.....	.....	54 days, <i>via</i> Suez and Southampton.
April 2, 1867...	June 1, 1867 ...	.....	5,370	.....	60 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
April 20, 1867...	June 13, 1867 ...	16,626	.....	.....	54 days, <i>via</i> Suez and Southampton.
May 2, 1867...	July 1, 1867 ...	.....	5,290	.....	60 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.
May 20, 1867...	July 13, 1867 ...	16,352	.....	.....	54 days, <i>via</i> Suez and Southampton.
June 3, 1867...	" 31, 1867 ...	.....	3,753	.....	58 days, <i>via</i> Panama.
No Mail ...	No Mail ...	.....	.....	No Mail.	No Mail <i>via</i> Torres Straits.

## B.

SKETCH Time Tables for the following Services, constituting a Fortnightly Mail between Europe and each of the Australian Colonies.

1. A four-weekly service to and from Galle and Sydney, *via* King George's Sound, delivering mails at Adelaide and Melbourne.

2. A four-weekly service, alternating with the foregoing, to and from Singapore and Melbourne, delivering mails at Brisbane and Sydney.

3. A branch service to and from Brisbane and Sydney.

4. A branch service to and from Melbourne and Adelaide.

5. A branch service to and from Melbourne and Launceston.

The time tables are prepared for two voyages each way.

No. 1.—Leave London		...	...	18 April and 16 May
" Galle		...	...	20 May " 17 June
Arrive Adelaide		...	...	9 June " 7 July
* " Melbourne		...	...	11 June " 9 July
" Sydney		...	...	14 June " 12 July
No. 3. (Branch Service)	Leave Sydney	...	...	14 June " 12 July
	Arrive Brisbane	...	...	16 June " 14 July
	Leave Brisbane	...	...	17 June " 15 July
	Arrive Sydney	...	...	19 June " 17 July
	Leave Sydney	...	...	19 June " 17 July
*Arrive Melbourne		...	...	21 June " 19 July
" Adelaide		...	...	23 June " 21 July
" Galle		...	...	11 July " 8 Aug.
" London		...	...	15 Aug. " 12 Sept.
No. 2.—Leave London		...	...	2 May and 30 May
" Galle		...	...	3 June " 1 July
Arrive Singapore		...	...	10 June " 8 July
" Brisbane		...	...	26 June " 24 July
" Sydney		...	...	28 June " 26 July
† " Melbourne		...	...	30 June " 28 July
No. 4. (Branch Service)	Leave Melbourne	...	...	30 June and 28 July
	Arrive Adelaide	...	...	2 July " 30 July
	Leave Adelaide	...	...	3 July " 31 July
	Arrive Melbourne	...	...	5 July " 2 Aug.

FURTHER PAPERS RELATIVE TO

No. 5. (Branch Service)	†Leave Melbourne		...	...	5 July	and	2 Aug.
	Arrive Sydney		...	...	7 July	„	4 Aug.
	„ Brisbane		...	...	9 July	„	6 Aug.
	„ Singapore		...	...	24 July	„	21 Aug.
	„ Galle		...	...	31 July	„	28 Aug.
	„ Bombay		...	...	4 Aug.	„	1 Sept.
	„ London		...	...	5 Sept.	„	3 Oct.
	*Leave Melbourne		...	...	11 June	and	9 July
	Arrive Lancelton		...	...	13 June	„	11 July
	Leave Launceston		...	...	19 June	„	17 July
	*Arrive Melbourne		...	...	21 June	„	19 July
	and						
†Leave Melbourne		...	...	30 June	and	28 July	
Arrive Launceston		...	...	2 July	„	30 July	
†Leave Launceston		...	...	3 July	„	31 July	
Arrive Melbourne		...	...	5 July	„	2 Aug.	

It will be observed that the above arrangements will involve an additional mail once in four weeks from Singapore to Bombay. In other respects they will harmonize with existing arrangements on the India and China lines.

C.

RETURN (No. 1) showing the Number of Letters received from and despatched to the United Kingdom during the three months immediately preceding the recent alteration; and Return (No. 2) showing the Number received and despatched during the present three months, being subsequent to the alteration.

RETURN NO. 1.

Date.	Received in New South Wales.			Date.	Despatched from New South Wales.		
	Via Marseilles.	Via Southampton.	Total.		Via Marseilles.	Via Southampton.	Total.
1868.				1867.			
February .....	4,841	11,526	16,367	November .....	3,230	10,824	14,054
March .....	5,269	10,833	16,102	December .....	3,167	10,359	13,526
April .....	4,538	11,245	15,783	*January (1868)	3,483	13,120	16,603

\* Correspondence posted in January, but not despatched until morning of 1st February.

RETURN NO. 2.

Date.	Received in New South Wales.			Date.	Despatched from New South Wales.		
	Via Marseilles.	Via Southampton.	Total.		Via Marseilles.	Via Southampton.	Total.
1868.				1868.			
May .....	3,940	8,724	12,664	April .....	3,047	9,462	12,509
June .....	3,779	5,163	8,942	May .....	3,137	8,683	11,820
July .....	...	...	...	June .....	3,024	8,569	11,083

D.

Sydney Chamber of Commerce,  
Sydney, 12th June, 1868.

SIR,—

Viewing the active steps that are being taken in the Mother Country and the neighbouring Colony of Victoria for the establishment of a fortnightly mail service, we beg respectfully to bring under your notice the reasons why, in our opinion, such fortnightly service, if established, should alternate *via* Torres Straits and Singapore, and the existing service *via* King George's Sound and Point de Galle; but in doing so, we are desirous of reaffirming to you the minute of the Chamber on the 16th April, 1867, namely:—"That this meeting expresses its entire satisfaction at the result of the late Postal Conference, and therefore hopes that its recommendations will be carried out in their integrity."

1. We would point out to you that the inequality of the advantages shared by each Colony of the Australian group, that existed under the former monthly service, has been greatly augmented in the four-weekly service as at present carried on. The Colonies of New South Wales and Queensland are now called upon to contribute in exactly the same ratio with the Colony of Victoria for advantages which are manifestly unequal, inasmuch as the course of post for Southampton letters to this Colony, and for all letters to Queensland, is now a twenty weeks' course of post instead of seventeen, only three days being allowed for the despatch of replies to letters; whilst in Victoria a margin of ten to eleven days is allowed for the receipt and despatch of correspondence, thus affording postal advantages to the entire Colony; and this inequality must necessarily exist if postal communication is carried on by a single route to Colonies that possess a total sea-board of fifteen hundred miles from the first point of arrival to the last of departure.

2. That we are called upon, to suit the convenience of the English Government, to pay an increased subsidy for an inferior accommodation; for, seeing the difference of time afforded for the reply to correspondence, it is quite certain that this Colony would have preferred to pay the increased subsidy for the monthly service, rather than, as at present called upon to do, for the four-weekly service.

3. It must be borne in mind that a subsidy payable by the Colony at large is intended for the advantage of all its inhabitants, and not for the benefit of a particular few. Now the correspondence of this Colony, to (say) at least five-sixths, is despatched by way of Southampton, and arrives in England seven days after the despatch of the Southampton mail from the London Post Office; and the advantage of a steam postal service to such correspondents becomes more than doubtful while the ordinary clipper sailing-vessels are making average passages of seventy-five days. Nor can it be considered that the usual course of post should be reckoned as *via* Marseilles, since for the extra accommodation an extra price is paid by the writer of a letter; and if at some future time a railway to Constantinople were to shorten the course of post by five days at an extra cost of a shilling to the sender of such letter, it could hardly be held that this could be reckoned as a course of post to the Colony at large.

4. That all the advantages of the present four-weekly service accrue to the Mother Country and the Colony of Victoria, while the wants and requirements of all the other Colonies have been either disregarded or forgotten.

5. That the establishment of a fortnightly mail *via* King George's Sound and Point de Galle would aggravate and intensify the existing inequality, and render the steam postal contract entered into by Great Britain still more unsatisfactory to the Colonies of New South Wales and Queensland.

6. That since the Postal Conference was held at Melbourne, the population, wealth, and importance of the Colony of Queensland have greatly increased; the trade *via* Torres Straits has largely augmented; the telegraphic communication in and towards that Colony has considerably extended; and its claims to an equal consideration in any postal arrangements are infinitely more imperative.

7. That for all these reasons we are decidedly of opinion that, in the event of any fortnightly postal service being established between Great Britain and the Australian Colonies, such service should be carried on *via* Torres Straits and Singapore, alternating at regular intervals with the existing four-weekly service *via* King George's Sound and Point de Galle, and making a port in the Colony of Queensland the first point of arrival and the last of departure.

And, lastly, we would urge that, in a money point of view, this Colony would not suffer by such contemplated arrangement; since the amount of its share of subsidy to a Torres Straits route would scarcely, if at all, exceed the amount of contribution it now pays to the Galle route. Thus, by a withdrawal from the latter, the duplicate service would be created, and a reciprocation of postal advantages with the Southern Colonies would doubtless be established.

I have, &c.,

JACOB L. MONTEFIORE,  
Chairman of the Sydney Chamber of Commerce.

E.

SIR,—

Chamber of Commerce, Melbourne, 26th May, 1868.

I have the honor, by direction of the Committee of the Melbourne Chamber of Commerce, to submit to you and your honorable colleagues the expediency of giving your early attention to the question of a fortnightly mail communication with England. It has been long admitted that the interests of the whole community would be subserved by a more frequent mail communication with Europe, and recent circumstances have more forcibly impressed the necessity for it upon the public mind.

I may be permitted to state that this Chamber has on several occasions recorded its opinion in favour of a fortnightly service. In November, 1862, a special general meeting of the members was called to discuss it; and although on that occasion the scheme of Messrs. Burstall and Campbell for a line of mail steamers *via* the Cape of Good Hope, and another of the Union Steam Navigation Company to furnish a mail service by the same route, were before them, the meeting almost unanimously affirmed the desirability of a fortnightly communication by the present route.

In September, 1866, I had the honor, by desire of the then Committee of the Chamber, to bring the question under the notice of your honorable predecessor, and the Committee were informed that the Government of Victoria had already expressed their willingness to contribute (to the full amount authorized by law if necessary) their proper proportion towards a fortnightly service, provided that no additional postage rate should be imposed. The honorable gentleman, however, stated circumstances from which he inferred that the Imperial Government were not at that time favourable to the proposal for a fortnightly mail between Ceylon and Australia.

In the early part of last year, this subject again forced itself upon the consideration of the Chamber, in consequence of the agitation which arose out of the publication of the proposals of the Intercolonial Postal Conference. In a petition to Parliament which was presented at the end of March, 1867, and signed by about 750 merchants and other persons engaged in business in Melbourne, the establishment of a fortnightly service by way of Suez and Galle was urged, in preference to the scheme of the Conference, as being far less costly, and yet affording superior advantages to the Colonies.

In promoting that petition, the then Committee of the Chamber published some calculations and comparative statements of the probable cost to this Colony of the monthly and semi-monthly services *via* Galle, including all the branch services. That statement showed that, if the total cost were distributed amongst the Colonies in the proportion recommended by the Conference, Victoria would have to pay an annual contribution of about £31,250 for twenty-four mails each way.

The information which has since come to hand upon this subject enables the Chamber to form a still more reliable estimate of the total cost of a bi-weekly service *via* Suez and Galle, and I have therefore to ask your indulgence in submitting to you the following figures:—

FURTHER PAPERS RELATIVE TO

The four-weekly service appears to cost, as near as can be estimated, as follows:—

P. and O. subsidy	...	...	...	...	...	£130,000
Extra charges for mail agents, mail boxes, special packets, Egyptian transit, &c.	...	...	...	...	...	12,385
Expenses, Southampton to Galle	...	...	...	...	...	17,810
Total cost	...	...	...	...	...	£160,195
Contribution by the Home Government	...	...	...	...	...	70,972
Annual charge to the Colonies	...	...	...	...	...	£89,223

The following will be the probable cost of the proposed bi-weekly service:—

Four-weekly service as above	...	...	...	...	...	£160,195
P. and O. additional subsidy	...	...	...	...	...	54,166
The extras as above would not be increased in the same proportion; but putting them at nearly double they would be	...	...	...	...	...	30,000
Total charge for fortnightly mail	...	...	...	...	...	£244,351
Imperial contribution <i>pro rata</i>	...	...	...	...	...	104,027
Leaving the total annual cost to the whole of the Colonies	...	...	...	...	...	£140,324

(This, however, is exclusive of the branch services.) Assuming that this amount were divided in the proportions proposed by the Postal Conference, the annual cost to this Colony of the twenty-six mails each way would be about £35,270, which is only between four and five thousand more than the amount now being paid for the four-weekly service (something over £31,000). If, however, the bi-weekly service were divided according to the present scale, it would cost this Colony about £49,000; but this has been admitted to be an inequitable arrangement, and it can scarcely be doubted that the other Colonies would agree to a new apportionment.

The Chamber do not ignore the fact that the respective Governments of New South Wales and South Australia had given notice of their intention to withdraw from the late contract; but there is, it is presumed, little probability that under existing circumstances they will give effect to such notice.

The Committee believe that the time has now arrived for the Colony to avail itself of the provisions of the contract with the P. and O. Company, which enable the Australian Governments, through the Postmaster-General, to give notice to the Company to provide for the conveyance of the mails to and from these Colonies fortnightly; and they respectfully suggest that the preliminary steps should at once be taken for effecting that object.

I have, &c.,  
B. COWDEROY,  
Secretary.

To the Hon. the Chief Secretary.

No. 40.

Copy of a Letter from Mr. G. ELIOTT ELIOTT to the GENERAL MANAGER, P.N.Z. and A.R.M. Co.  
SIR,—  
General Post Office, Wellington, 23rd July, 1868.

I am directed to forward to you the accompanying copy of a letter from the Hon. the Colonial Secretary of New South Wales, on the subject of the steam postal service between Great Britain and the Australasian Colonies *via* Panama.

You will observe that this letter proposes that the port of the Bay of Islands should be substituted for that of Wellington, as the port of arrival in New Zealand for the mail steamers bound from Panama to Sydney, it having been represented that this change would reduce the length of the voyage by at least two days, and by so doing render the Pacific Steam Mail Service of greatly increased advantage, especially to the Colonies of New South Wales and Queensland.

The Postmaster-General would be glad for an expression of your opinion as to whether this impression is correct, and also whether your Company would consent to this proposed change, and if so whether they would require any increased subsidy for so doing, and the amount they would probably demand.

I have, &c.,  
G. ELIOTT ELIOTT,  
Secretary.

The General Manager, P.N.Z. and A.R.M. Co.,  
Wellington.

No. 41.

Copy of a Letter from the GENERAL MANAGER P.N.Z. and A.R.M. Co. to the Hon. JOHN HALL.  
SIR,—  
P.N.Z. and A.R.M. Co., Wellington, 30th July, 1868.

I beg to acknowledge the receipt of your letter of the 23rd instant, covering copy of a despatch from the Hon. the Colonial Secretary of New South Wales referring to the Panama Mail Service.

In reply I desire to state that the alleged saving of at least two days on the voyage from Panama to Sydney appears to me highly problematical, although I am not prepared to say some portion of it may not be saved. Seeing, however, that the contract names Wellington as the port of call, and we have expended large sums of money to work the service in accordance with its provisions, I am unable, without reference to my Directors in London, to reply to that part of your letter inquiring on what terms we could agree to the change in port of call in New Zealand.

I have, &c.,  
H. B. BENSON,  
General Manager.

The Hon. the Postmaster-General,  
Wellington.

## No. 42.

Copy of a Letter from the COLONIAL SECRETARY, New South Wales, to the Hon. E. W. STAFFORD.

SIR,—

Colonial Secretary's Office, Sydney,  
New South Wales, 31st July, 1868.

I am directed to acknowledge the receipt of your letter of the 22nd ultimo in which you transmitted, for the consideration of the Government of New South Wales, the copy of a memorandum which the Postmaster-General at Wellington has drawn up on the subject of the payment made by the Colonies not contributing to the cost of the Panama Mail Service for the transmission of their mails by the steamers of that service.

2. Having referred your communication to the Postmaster-General I have now the honor to enclose a copy of the report received from that Minister for the information of the Government of New Zealand.

I have, &c.,

The Hon. the Colonial Secretary, New Zealand.

HENRY PARKES.

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Enclosure in No. 42.

General Post Office, Sydney, 17th July, 1868.

THIS is both a difficult and a delicate matter to deal with. Prior to the introduction of the arrangement at present in force, it devolved upon the department of the Post Office, in New South Wales, to enter upon a regular system of accounts with each of the non-contributing Colonies. The accounts were liable to disturbance from the fact that, as opportunities occurred, the Colonies forwarded letters for despatch by this route direct to Wellington, New Zealand. To obviate this inconvenience it was arranged between New Zealand and New South Wales that all letters from non-contributing Colonies despatched and received *via* Panama should pass through the Sydney Office. It was soon discovered that this limitation would entail such an amount of work in detail upon the various branches of the Sydney Office as would necessitate a very large increase to the staff, the expense of which would far exceed any benefit the Colony could receive by the postage derived from the conveyance of these letters. It was also soon evident that the extra labour thus imposed in the making up of the mails would require a curtailment of the time allowed to residents in Sydney for posting their letters—that in fact the mail must be closed at an earlier hour than would otherwise be necessary.

Under these circumstances the present arrangement was proposed, the advantages of which are, that it obviated the necessity of keeping any accounts beyond the gross weight of the mails; that it allowed the non-contributing Colonies to receive and despatch separate mails from and to London; and that their accounts with the London Office are kept with themselves.

I may here mention that the amount fixed for the carriage of these mails by weight was arrived at in consultation with the late Mr. Crosbie Ward.

The principle which guided the calculation was this, that if we could fix a rate of postage which would save the contracting Colonies from loss in the carriage of letters from non-contributing Colonies it was expedient to do so, in order to familiarize them with the advantages they would derive from the use of this route.

It is not strictly correct that this amount was arrived at on the consideration that the mails should always be mixed—*i.e.*, letters and newspapers. It was founded upon the weight of letters alone; although the possibility of newspapers being occasionally transmitted by this route was also taken into account, as a possible increase to the rate of contribution, yet it was not considered probable that many would be forwarded.

The question, therefore, stood thus: Will it be more expedient to impose such a high rate of postage upon letters from these Colonies as shall act as a prohibitory impost, or shall we take them under such arrangement as will save the contracting Colonies from actual loss, by returning to them the same amount of postage as is derived from letters transmitted *via* Suez?

The latter principle was the one determined upon, and the only question then remaining was the amount which would produce this result.

It was known that where a higher postage rate was imposed, *e.g.*, in the case of Marseilles, correspondents as a rule would fill up to the weight of the rate. A pound of letters would therefore include thirty-two letters, which, at the Suez and Southampton rate of postage, would have returned 16s. But it was found that the rate of ordinary correspondence ranged from thirty-seven to forty-three letters to the pound weight.

Taking therefore the average of forty letters to the pound, gave exactly 20s. as the return to the contracting Colonies; and placing this amount on the gross weight, it was assumed that the weight of packages and occasional newspapers would be a clear gain, and prevent the possibility of any loss to the contracting Colonies.

The manner in which this arrangement worked is this: The London Office, having consented to the proposition, makes up direct mails for each of the Australian Colonies, receiving the amount it collects, and crediting the individual Colonies with 5d. on every half-ounce letter. On the other hand, each Colony collects 6d. on every half-ounce letter, which it retains, and credits Great Britain with 1d. of this amount.

Each Colony thus keeps its own accounts with Great Britain, and the Post Office of New South Wales is relieved from a burthen of accounts which, to enable her to have borne, would have necessitated a large increase of the postal staff, at a commensurate increase of expenditure.

Although the non-contributing Colonies pay no apparently increased postage, the residents in those Colonies pay a double rate upon every letter they transmit by this route; for the Governments of all these Colonies, while they receive back 5d. per rate on every letter posted *via* Panama, impose a charge of 1s. per half-ounce on these letters; and the Colony of Victoria has gone further, by imposing a charge of 1s. 3d. per ounce on every newspaper posted for transmission or received in the Colony by

that route. What the motives of that Government may be in this apparently illiberal course, I conceive it is not necessary for us to inquire into, as the exaction falls exclusively upon their own residents, and does not in any way affect the arrangement between the Colonies. But that these residents do feel that they derive advantage from this route, is evident from the annexed returns, which show that, notwithstanding the impediments which this increased charge places in the way of correspondence by this route, the amounts receivable from non-contributing Colonies towards the reduction of the subsidy during the six months ending in May, 1868, amounts to £2251 16s. 4d.; the real amount paid by the persons posting the letters being probably as much more.

Although the payments on account of postage *via* Panama do not appear as a charge upon the revenue of the non-contributing Colonies (being covered by the postage received from the writers), yet the real amount to which residents in those Colonies are subjected for the use of it is not less than £10,000 per annum, and this appears to be cheerfully as it is voluntarily paid.

It would thus appear that the Colonies which at their sole expense provide this postal accommodation, to the advantages of which they have admitted the residents of the non-contributing Colonies on the same footing as their own, might have expected a more liberal view of the position should have been taken by the respective Governments. This has not been the case, for in fact some of these Governments are pursuing towards New South Wales and New Zealand precisely the conduct which the Duke of Montrose, in referring to the Suez Contract, designated as a "fraudulent use of the packets," while at the same time they are carrying out in some measure his extraordinary proposal of a fluctuating Intercolonial postage rate, with this difference, that they levy a penalty upon their own residents for the use of a postal route to which they do not contribute, the amount of which they nevertheless place to the credit of their own revenue. Still, I am not disposed to recommend any change in the existing arrangement. Having come into force it is working smoothly; and any attempt to force the other Colonies to become contributors to the subsidy would, I think, end in failure.

We might adopt the suggestion of the Postmaster-General of England, thrown out as a probable course to be pursued towards these Colonies which withdraw from the Suez Contract, and impose a triple rate of postage upon these letters. But such a charge would be prohibitory, and would deprive the contracting Colonies of the small amount they now receive in diminution of the subsidy on account of the correspondence received from the other Colonies.

It will be seen from the returns annexed, that the present rate of postage (favourable as it is to the interests of the residents of those Colonies) has failed in inducing a more extended use of this route. In all probability this is owing to the imposition of the additional rate, which the respective Governments deem it expedient to impose upon these letters, because it will be perceived that the returns (small as they are) are principally derived from the inward mails, the postage upon letters conveyed thereby being the same as that imposed upon letters to the contracting Colonies.

In case this Government should consider it expedient that a further effort should be made to induce Victoria and the other Colonies to place this matter upon a more fair and reasonable footing, I cannot advise that this effort should go beyond a fair and temperate statement of facts, and an appeal to these Governments to reconsider this question in a just and equitable spirit.

J. DOCKER.

Sub-Enclosure to Enclosure in No. 42.

STATEMENT of the WEIGHT of MAILS to and from the under-mentioned COLONIES *via* SYDNEY and PANAMA for six months, from December, 1867, to May, 1868.

INWARDS.

COLONIES.	Dec. 1867.		Jan. 1868.		February.		March.		April.		May.		Total.	
	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.
Victoria ... ..	0	12½	1	14	183	4	137	14	0	10½	1	0¼	325	7¼
Queensland ... ..	22	12	38	0	22	14	20	2	45	6	15	0	164	2
Tasmania ... ..	...	...	...	...	41	4	34	2	...	...	14	0	79	6
South Australia ...	...	...	1	11	28	2	45	0	3	0	43	0	120	13
Western Australia *	...	...	...	...	1	2	2	12	...	...	...	...	3	14
	23	8½	41	9	276	10	229	14	49	0½	73	0¼	693	10¼

OUTWARDS.

COLONIES.	Dec. 1867.		Jan. 1868.		February.		March.		April.		May.		Total.	
	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.
Victoria ... ..	...	...	...	...	...	...	...	...	1	3½	5	2	6	5½
Queensland ... ..	6	10	4	13½	...	...	0	13	5	15	4	12½	23	0
Tasmania ... ..	...	...	0	11	...	...	1	10	0	7	0	14½	3	10½
South Australia ...	14	12	40	4	...	...	45	14	23	12	37	0	161	10
Western Australia *	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	21	6	45	12½	...	...	48	5	31	5½	47	13	194	10

\* At 11d. per lb. only.

TOTALS.				lbs.	oz.		£	s.	d.
Victoria	...	...	...	1,366	8 $\frac{3}{4}$	at 20s. per lb.	1,366	11	0
Queensland	...	...	...	187	2	" "	187	2	6
Tasmania	...	...	...	281	4 $\frac{1}{2}$	" "	218	5	7
South Australia	...	...	...	479	5	" "	479	6	3
				2,251	4 $\frac{1}{4}$		£2,251	5	4
Western Australia, 12 lbs., at 11d. per lb.				...	...	...	0	11	0
							£2,251	16	4

## No. 43.

Copy of a Letter from the Hon. E. W. STAFFORD to the Hon. the COLONIAL SECRETARY,  
New South Wales.

Colonial Secretary's Office,

Wellington, 30th September, 1868.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 2nd July last, conveying the views of the Government of New South Wales, on the answer given by the Imperial Government to the proposals of the Melbourne Postal Conference, also stating that it had been represented to you that the time occupied by the Panama steamer on the passage between Sydney and Panama could be reduced by at least two days, if the New Zealand mails were delivered at the Bay of Islands, and requesting to be made acquainted with the views of the Government of New Zealand on these subjects.

Your letter and the minute of the Postmaster-General of New South Wales, forwarded therewith, have received the careful consideration of this Government.

With respect to the general question of an Ocean Postal Service for the Australasian Colonies, the New Zealand Ministry concurs generally in the opinions expressed in your letter, and especially in the statement that it is impossible for any service by a single route, whether monthly or fortnightly, to satisfy the requirements of the several Colonies by which it is assumed such a service would be supported. I must add that no general scheme could be satisfactory to New Zealand of which the service *via* Panama did not form a part.

Upon the subject of the further steps which it may be expedient to adopt in reference to the answer from the Imperial Government above referred to, I have to state that, in view of the extent to which the value to New Zealand of the Suez Mail Service has now been reduced, it is not thought necessary by this Government to address any communication at the present time to the Imperial authorities; but in the event of further action being taken by the other Australian Colonies, New Zealand will be disposed to co-operate in any course of proceeding having for its object the establishment of a general and efficient system of ocean postal communication on terms which would be fair and advantageous to all parties concerned. In the consideration of any such general scheme, it appears to the Government of this Colony most desirable that the rapid progress now being made in the construction of the railroad across the Continent of North America should be borne in mind. There can be no doubt that, on the completion of this great work, bulk mails can be forwarded between the United Kingdom and the greater part of the Australasian Colonies in less time *via* San Francisco than by any other route; while by a recent postal convention between Great Britain and the United States provision is made for the transmission of such mails through the United States at a reasonable cost. It would therefore be a matter for regret if by any arrangement to be now entered into an obstacle were created to the adoption of the San Francisco route as soon as it shall have become available.

With respect to the suggested change in the port of call in New Zealand, I have the honor to state that I lost no time in communicating with Captain Benson, the manager in this Colony for the Panama, New Zealand and Australian Royal Mail Company, with a view of ascertaining whether any and if so what saving of time could be effected by the proposed alteration, and upon what terms the Company would consent to such alteration, if it was thought expedient to make it. Captain Benson informs me that the alleged saving of two days appears to him highly problematical, although he is not prepared to say that on the voyage from Panama to Sydney some portion of it may not be effected. As however the contract with the Company fixes Wellington as the New Zealand port of call, and as the Company has expended large sums of money to work the service in accordance with the provisions of the contract, Captain Benson is unable, without reference to his Directors, to state on what terms the Company would agree to the change.

Irrespective of the above difficulty, I would point out to you that the proposed alteration would very seriously affect the interests of this Colony. The Bay of Islands is situated at nearly the northern extremity of New Zealand, 600 miles distant from the seat of Government, and still further from the great commercial centres of the Middle Island. Consequently the distribution from the Bay of Islands of mails for other parts of New Zealand would not only involve a very considerable loss of time as compared with existing arrangements, but would also be attended by so large an increase in cost that I feel sure you will recognize that such an alteration of the service could not properly be effected, even if the agreement with the Company had left the subsidizing Colonies any option with regard to the port of call.

To the Hon. the Colonial Secretary,  
New South Wales.

I have, &c.,  
E. W. STAFFORD.

## No. 44.

Copy of a Letter from A. VILLEMSENS, Esq., to the Hon. the POSTMASTER-GENERAL, New Zealand.

[TRANSLATION.]

SIR,—

Wellington, 4th August, 1868.

I have the honor to inform you of the mission intrusted to me by the Commandant of the French Establishments in Oceania and Imperial Commissioner at the Society Islands, relative to the transmission of our mails from Tahiti to Europe and *vice versa*, by way of New Zealand.

I have therefore the honor to submit to you this question, which concerns the department under your direction.

The actual manner in which our correspondence is effected is by way of San Francisco. In wishing to change it, the Imperial Commissioner has two objects—to profit, if possible, by the service of the Australian, New Zealand, and Royal Mail Company as at present organized, so as to expedite the exchange between Europe and Tahiti, as well as to establish constant communication between New Zealand and Tahiti, and thus develop the commerce between the two Colonies. This desire on his part is very strong; for if on the one hand we succeed in saving time, supposing that the European mail can be handed to us at Opara, on the other hand we shall certainly lose time by sending our mail for Europe *via* New Zealand, instead of sending it direct to San Francisco, as we have done up to the present time.

These conditions established, I think that the request that I have to make resolves into the following questions:—

1st, Will the New Zealand Post Office consent to forward to Europe the mails from Tahiti, which will be delivered every month in a sealed packet at the Auckland Post Office, by a French vessel coming from Tahiti with them?

2nd, Will the New Zealand Post Office consent to deliver our sealed mail (*correspondance fermée*) coming from Europe for Tahiti either at Opara into the hands of the French resident, or at the Auckland Post Office, should the Tahitian authorities find at a future time that it would be more simple to send a single vessel to carry the mails to and from Auckland?

3rd, If it should happen that the Government of Tahiti is prevented sending its mails for Europe to Auckland, will it be possible for it to deposit the mail at Opara for transmission to Auckland, where it would be forwarded to Europe by the next mail for Panama?

4th, What are the conditions upon which the New Zealand Post Office will carry on this mail service?

I beg, honorable sir, to claim from your kindness the weight of your influence with the members of the New Zealand Government, to give to these questions the most advantageous settlement, and the most in accordance with the wishes expressed by the Imperial Commissioner of Tahiti.

In conclusion, I have to inform you that the Government of New South Wales which had to be consulted on this question by reason of the subsidy paid by that Colony to the Royal Mail Company, has declared that it will give its best endeavours towards concluding the negotiation (conditions) that the New Zealand Post Office may decide upon as suitable to enter upon with the Government of Tahiti.

I have, &amp;c.,

A. VILLEMSENS,

Lieut. de Vaisseau,

Commandant le Navire de I.M. "La Dorade."

The Hon. the Postmaster-General,  
Wellington,

## No. 45.

Copy of a Letter from the Hon. J. DOCKER to A. VILLEMSENS, Esq.

General Post Office,

Sydney, 20th June, 1868.

SIR,—

I have the honor to inform you that I have brought under the consideration of the Government your observations upon preceding correspondence, as contained in your letter of the 5th instant.

The Government being desirous to the utmost of its power to meet the views of the authorities at Tahiti, begs to state that no objection will exist on the part of this Colony to place Tahiti on the same footing as the non-contributing Colonies of Australia, viz., to carry their closed mails for a fixed sum per pound of the gross weight. But I apprehend that in this case the mails must be received and despatched from New Zealand, as doubts exists whether under the contract the P. and N.Z.R.M. Steam Navigation Company could be compelled to receive them at Rapa (Opara).

I beg to add that you are at liberty to show this communication to the New Zealand Government.

I have, &amp;c.,

A. Villemsens, Esq.,

J. DOCKER,

Commanding H.I.M.S. "Dorade," Sydney.

Postmaster-General.

## No. 46.

Copy of a Letter from the Hon. JOHN HALL to A. VILLEMSENS, Esq.

General Post Office,

Wellington, 8th August, 1868.

SIR,—

I have the honor to acknowledge receipt of your letter of the 4th instant, in which under instructions received by you from the Commandant of the French Establishments in Oceania, and Imperial Commissioner for the Society Islands, you address to this department inquiries relative to the transmission by the steam mail service established between Australia, New Zealand, and Panama, of mails between France and Tahiti, and in which you point out that irrespective of the postal advantages to be derived from such an arrangement by enabling Tahiti to avail itself of this mail service, important



commercial benefits will necessarily accrue to both the Australasian Colonies and Tahiti, by their being thus brought into immediate and regular Communication with each other.

The subject matter of your communication has been carefully considered, and I am requested to inform you that the Government of this Colony is very desirous to afford to the French Establishment in Oceania a participation in the benefits to be derived from the mail communication with Europe *via* Panama, maintained by New South Wales and New Zealand, as well as to encourage the commercial relations between Tahiti and New Zealand.

With these views, and subject to the concurrence of the Government of New South Wales, which must be a necessary party to any such agreement, I beg to reply as follows to your several questions:—

1. The correspondence from Tahiti will be sent to Europe *via* Panama if delivered each month in sealed mails at the Post Office at Auckland, by a French vessel, sent from Tahiti for that purpose.

2. The correspondence from Europe for Tahiti will be delivered either at the Island of Opara to the French Resident there, or at the Post Office, Auckland, should the Government of Tahiti find it more convenient to send one vessel to deliver the outward, and receive the inward mails.

3. In the event of the Government of Tahiti being prevented at any time from sending their mails for Europe to Auckland, such mails can be deposited at Opara, and brought from thence by mail steamers to New Zealand, in order to their being sent on to Europe by the next vessel to Panama.

4. The following rates of postage would be payable by the postal authorities of Tahiti to the Post Office Department of New Zealand on correspondence so conveyed to and from Tahiti, viz.:—

Letters not exceeding $\frac{1}{2}$ oz.	...	...	...	1s. 0d. each.
Letters not exceeding 1 oz.	...	...	...	2s. 0d. "
Letters not exceeding 2 oz.	...	...	...	4s. 0d. "
Letters not exceeding 3 oz.	...	...	...	6s. 0d. "
Letters not exceeding 4 oz.	...	...	...	8s. 0d. "
Letters of various weights above 4 oz.	...	...	...	2s. 0d. per oz. each.
Newspapers not exceeding 3 oz.	...	...	...	0s. 3d. each.
Newspapers not exceeding 4 oz.	...	...	...	0s. 4d. "
Books and Pattern Packets not exceeding 4 oz.	...	...	...	0s. 8d. "
Books and Pattern Packets not exceeding 8 oz.	...	...	...	1s. 4d. "
Books and Pattern Packets of various weights over 8 oz.	...	...	...	1s. 4d. per 8 oz. each.
Registered Letters—half the registration fee.				

Correspondence to and from France could be sent in closed mails, an account of the contents of such mails being supplied in a prescribed form by the Tahitian Post Office to this department.

In order to the proper adjustment of accounts, it will be necessary that the correspondence for Tahiti from other countries than France should be made up in mails by the Postal Officer on board the Panama steamer, addressed to the Post Office, Tahiti; and for the same reason, the correspondence from Tahiti for other countries than France must be enclosed in a mail addressed to the Marine Post Office on board the Panama steamers.

Accounts would be rendered quarterly by this department to the Tahitian Post Office, and if found correct, the amount due should be remitted to the Colonial Treasurer of New Zealand.

As the Panama, New Zealand, and Australian Royal Mail Company is not bound by its contract to call at Opara, it must be understood that this Government does not enter into any obligation that this call shall be made. I have no reason, however, to suppose that the existing practice of calling at Opara is likely to be disturbed.

I have the honor to enclose the letter which you were good enough to leave with me from the Postmaster-General of New South Wales, and to state, that under the terms of existing arrangements with the Government of that Colony, any agreement on the question now under consideration will have to be made subject to its approval.

Monsieur Villemsens, le Lieutenant de Vaisseau,  
Commandant le Navire de I.M. "La Dorade."

I have, &c.,  
JOHN HALL,  
Postmaster-General.

### No. 47.

Copy of a Letter from A. VILLEMSSENS, Esq., to the Hon. the POSTMASTER-GENERAL, New Zealand.

[TRANSLATION.]

SIR,—

Wellington, 12th August, 1868.

I have the honor to acknowledge the receipt of your letter of the 8th instant, in which you state the conclusions that had been come to with regard to the demands that I was charged to lay before the Government of New Zealand relating to the Tahiti mail to Europe *via* Panama.

I beg that you will convey to the members of the Government the thanks of the Commandant of the French Establishments in Oceania, and Imperial Commissioner for the Society Islands, for the courteous reception of his propositions, and for the favourable result given this question.

This Postal Convention, which ought to establish direct relations between New Zealand and the Society Islands, will be carried out as soon as possible to the great satisfaction of the Imperial Commissioner.

Allow me also, honorable Sir, to express personally my warmest gratitude for the facilities afforded in the accomplishment of my mission by your kind intervention.

I have, &c.,

The Hon. the Postmaster-General,  
Wellington.

A. VILLEMSSENS, Lieut. de Vaisseau,  
Commandant la Navire de I.M. "La Dorade."

No. 48.

Copy of a Letter from the Hon. JOHN HALL to A. VILLEMSENS, Esq.

General Post Office,  
Wellington, 13th August, 1868.

SIR,—

With reference to my letter of the 8th instant, and subsequent personal communications on the subject of the conditions on which correspondence to and from Tahiti can be conveyed by the Panama, New Zealand, and Australian Royal Mail steamers, I have the honor to state that the Government of New Zealand is prepared to modify as follows the rates of postage to be charged on the correspondence in question:—

AMOUNT of POSTAGE to be paid to New Zealand on Correspondence *via* Panama for Tahiti from France and all other places, irrespective of charges for transmission to London or Panama, as the case may be, viz. :—

	s.	d.
On Letters not exceeding $\frac{1}{2}$ oz. ... ..	0	6 each.
On Letters not exceeding 1 oz. ... ..	1	0 „
On Letters not exceeding 2 oz. ... ..	2	0 „

And so on in proportion at the rate of 1s. per ounce, or fractional part of an ounce.

On Newspapers ... ..	0	2 „
On Book and Pattern Packets not exceeding 4 oz. ... ..	0	4 „
On Book and Pattern Packets not exceeding 8 oz. ... ..	0	8 „
On Book and Pattern Packets not exceeding 1 lb. ... ..	1	4 „

And so on in proportion at the rate of 8d. per  $\frac{1}{2}$  lb., or fractional part of  $\frac{1}{2}$  lb.

On Registered Letters, &c., 6d. each in addition to the postage, as registration fee.

AMOUNT of POSTAGE to be paid to New Zealand on Correspondence from Tahiti for the under-mentioned Countries *via* Panama, viz. :—

COUNTRIES.	ROUTE.	Letters not exceeding,					Registration Fee.	Newspapers.	Book Packets not exceeding,			
		$\frac{1}{4}$ oz.	$\frac{1}{2}$ oz.	$\frac{3}{4}$ oz.	1 oz.	1 $\frac{1}{2}$ oz.			2 oz.	4 oz.	8 oz.	1 lb.
		s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Australia ... ..	<i>Via</i> New Zealand	0 6	0 6	1 0	1 0	2 0	0 6	0 1	0 4	0 4	0 8	1 4
China ... ..	<i>Via</i> London	1 6	1 6	3 0	3 0	5 0	1 0	0 3	0 8	0 8	1 4	2 8
England ... ..	<i>Via</i> Panama	0 6	0 6	1 0	1 0	2 0	0 6	0 1	0 4	0 4	0 8	1 4
France ... ..	<i>Via</i> Panama	0 10	1 2	2 0	2 4	3 8	1 0*	0 1†	0 6	0 8	1 4	2 8
India ... ..	<i>Via</i> Panama	1 3	1 3	2 6	2 6	4 3	1 0	0 3	0 8	0 8	1 4	2 8
New Zealand ... ..	Direct	0 6	0 6	1 0	1 0	2 0	0 6	0 1	0 4	0 4	0 8	1 4

\* And 4d. per  $\frac{1}{4}$  oz. additional. † And Foreign Book Rate at 2d. per oz.

Correspondence for other foreign countries may be forwarded *via* Panama, the postages to which are enumerated in the accompanying table. This department accounts to London at the rate of 1d. per  $\frac{1}{2}$  oz. on letters, and 1d. per 4 oz. for book packets for the United Kingdom, which are included in the above rates for England. With this exception this arrangement places correspondence from Tahiti on precisely the same footing as correspondence from New Zealand.

The above rates for correspondence from Tahiti includes foreign postage to destination.

I have, &c.,

Mons. Villemsens, le Lieutenant de Vaisseau,  
Commandant de Navire de I.M. "La Dorade."

JOHN HALL,  
Postmaster-General.

No. 49.

Copy of a Letter from the Hon. JOHN HALL to the Hon. the POSTMASTER-GENERAL, New South Wales.

General Post Office,  
Wellington, 24th September, 1868.

SIR,—

Referring to your letter of 20th June last, addressed to Lieutenant Villemsens of the French Imperial Navy, of which letter a copy has been placed in my hands by that officer, I have the honor to inform you that, subject to the approval of the Government of New South Wales, the Government of New Zealand has agreed to the arrangements described in the enclosed memorandum for the transmission, by the Panama mail steamers, of correspondence to and from the French settlements at Tahiti. The charge to be made for the transport of this correspondence by these steamers may, perhaps, appear small, but, in the consideration of this question, the New Zealand Government has borne in mind that the French authorities at Tahiti will be put to considerable expense in the conveyance of their mails to New Zealand or Opara, as the case may be; and also, that they have open to them the use of the San Francisco route, on which the rate of postage is very moderate. I have, moreover, felt sure you would agree in the desirability of encouraging, by a liberal postal arrangement, the establishment of frequent and regular communication between Tahiti and the Australasian Colonies.

Monsieur Villemsens informs me that the homeward mail will, as a rule, be forwarded from Tahiti to Auckland by a special vessel employed for that purpose, although, in cases of emergency, such mail may be left at Opara. The mail from Europe will be left at Opara by the Panama steamers, when calling there, and when not, will be brought on to New Zealand.

The arrangement above described has, in accordance with the provisions of the agreement between New South Wales and New Zealand, been made subject to the approval of the Government of the former Colony; and I shall feel obliged if you will inform me, at your early convenience, whether that Government concurs in the arrangement.

The Hon. the Postmaster-General,  
Sydney.

I have, &c.,  
JOHN HALL,  
Postmaster-General.

### Enclosure in No. 49.

#### MEMORANDUM.

CORRESPONDENCE to and from Tahiti may be conveyed by the Panama, New Zealand, and Australian Royal Mail steamers between Panama and Opara or Auckland, as the case may be, as follows, viz.:—

#### *1st, Correspondence for Tahiti.*

The following rates, to be credited to the joint account of New South Wales and New Zealand, irrespective of any charge which may be incurred for transmission to London or Panama, the full postage in all cases to be prepaid, viz.:—On Letters not exceeding  $\frac{1}{2}$  oz., 6d. each; not exceeding 1 oz., 1s. each; not exceeding 2 oz., 2s. each, and so on at the rate of 1s. per oz. or fractional part of an oz. On Newspapers, 2d. each. On Book and Pattern Packets not exceeding 4 oz., 4d. each; not exceeding 8 oz., 8d. each; not exceeding 1 lb., 1s. 4d. each, and so on at the rate of 8d. per  $\frac{1}{2}$  lb. or fractional part of  $\frac{1}{2}$  lb. On Registered Letters, &c., 6d. each as registration fee, in addition.

#### *2nd, Correspondence from Tahiti.*

As correspondence from Tahiti will be prepaid to destination, therefore, in addition to the above rates, the foreign postage on correspondence for Foreign Countries, in accordance with a Table furnished by the London Office, will also be credited,—this department accounting to London or Panama therefor. Statements of the contents of the mails received at and despatched from Tahiti will be furnished to this department by the Government at Tahiti by every mail, from which the accounts will be prepared, and payment made to this Government every quarter.

### No. 50.

Copy of a Letter from Mr. GISBORNE to the Hon. the COLONIAL SECRETARY, New South Wales.

Colonial Secretary's Office,  
Wellington, 14th October, 1868.

SIR,— I have the honor to acknowledge the receipt of your letter No 144, of the 9th ultimo, and in compliance with the request contained therein transmit to you the accompanying instrument under the hand of the Hon. the Postmaster-General of this Colony, appointing the Hon. Mr. Tighe to be his agent at the Port of Sydney in connection with the Panama Mail Service.

The Hon. the Colonial Secretary,  
New South Wales.

I have, &c.,  
W. GISBORNE,  
Under Secretary,  
(for the Colonial Secretary.)

### Enclosure in No. 50.

To all to whom these presents shall come, I, JOHN HALL, Her Majesty's Postmaster-General for the Colony of New Zealand, send, greeting:

WHEREAS, by certain Articles of Agreement made the twenty-seventh day of June, in the year of our Lord one thousand eight hundred and sixty-eight, between His Excellency Sir George Ferguson Bowen, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, and Vice-Admiral of the same, by and with the advice and consent of the Executive Council of the said Colony, of the one part, and the Panama, New Zealand, and Australian Royal Mail Company (Limited), of the other part, certain stipulations, terms and agreements were made and entered into for the conveyance by the said Company of mails between Panama, New Zealand and New South Wales: And whereas by the said Articles of Agreement it was amongst other things agreed that every master, commander, or officer of any vessel for the time being employed in the performance of the said agreement, duly authorized and intrusted by the Postmaster-General of New Zealand, with and having the charge and custody of mails, should himself, immediately on the arrival of any such vessel at any of the ports or places therein mentioned, deliver all mails for such port or place into the hands of the Postmaster, or such other person at the port or place as the Postmaster-General of New Zealand shall authorize to receive the same: And whereas by the said Articles of Agreement it is further agreed that the Postmaster-General of New Zealand shall have full power, whenever and so often as he may deem it requisite, to survey by any competent person he may appoint all or any of the vessels employed and to be employed in the performance of the said agreement, and the hulls thereof, and the engines, machinery, furniture, tackle, apparel, boats, stores, equipments, and the officers, engineers, and crew of every such vessel: And whereas by the said Articles of Agreement it is further agreed that the said Company, and all commanding and other officers of the vessels employed in the performance of the said agreement, and all agents, seamen and servants of the Company, shall at all times punctually attend to the orders and directions of the Postmaster-General of New Zealand, his officers or agents, as to the mode, time, and place of landing, delivering and receiving of mails: And whereas by the said Articles of Agreement the Postmaster-General of New Zealand is authorized

to appoint agents or an agent for the performance of divers other acts, and the exercise of other powers in the said agreement mentioned: And whereas I, the said John Hall, as such Postmaster-General aforesaid, am desirous to appoint an agent in Sydney, in the Colony of New South Wales, in manner hereinafter appearing: And whereas Atkinson Alfred Patrick Tighe, Esq., Her Majesty's Postmaster-General for the Colony of New South Wales, has consented to be nominated as such agent:

Now therefore I, the said John Hall, as such Postmaster-General as aforesaid, do hereby nominate, constitute, and appoint ATKINSON ALFRED PATRICK TIGHE, Esquire, Her Majesty's Postmaster-General for the Colony of New South Wales, to be the Agent at the Port of Sydney, in the Colony of New South Wales, for the Postmaster-General of New Zealand, and to receive all mails at the Port of Sydney aforesaid, and to survey all or any of the vessels employed in the performance of the said agreement, and the hulls thereof, and the machinery, furniture, tackle, apparel, boats, stores, equipments, and the officers, engineers, and crew of every such vessel, and to order and direct the mode, time, and place of landing, delivering, and receiving mails at the Port of Sydney aforesaid, and generally to do, execute, and perform all acts, deeds, matters, and things within the Colony of New South Wales, which by the said Articles of Agreement are authorized to be done, executed, or performed by the Postmaster-General of New Zealand, or his duly appointed Agent.

Witness my hand this tenth day of October, one thousand eight hundred and sixty-eight.

JOHN HALL.

Signed by the abovenamed John Hall, Her Majesty's Postmaster-General for New Zealand, in the presence of

G. ELLIOTT ELLIOTT,  
Secretary, General Post Office, New Zealand.

### No. 51.

Copy of a Letter from Mr. W. GRAY to the Hon. JOHN HALL.

General Post Office,

Wellington, 12th October, 1868.

SIR,—

In continuation of my report of this date, I have the honor to inform you that I returned to Wellington from Melbourne by way of Sydney, where, according to your instructions, I waited upon the Postal authorities, for the purpose of arranging with them the details of the account to be kept between that Colony and New Zealand in connection with the Panama Mail Service.

The first subject which came under discussion was the amount of the postage collected by either Colony on correspondence despatched by each respectively in mails *via* Panama, which, according to the minute of agreement, is divisible equally between the two Colonies. I submitted that you were of opinion, that as the Home Government claimed and received 1d. per half-ounce on letters, and nearly 6d. per pound on books, as inland postage in the United Kingdom, each Colony on the same principle should retain a like portion of the postage accruing on correspondence originating within it, as inland postage, and thus leave a balance as sea postage of 4d. per half-ounce on letters, and 6d. per lb. on books, as divisible between the two Colonies: that this was your view of the meaning of that part of the minute of agreement which referred to the total postage as being equally divisible.

To this view Mr. Docker objected, urging that, from personal conversations with the late Mr. Crosbie Ward, as well as from the terms of the minute itself, the whole postage collected, excepting Foreign rates, is meant as the postage divisible between the Colonies. Mr. Docker's views on the subject, as well as those of the Secretary and Accountant of his department, are as follows, viz.:—

#### 1. *Items to be Credited to the Service.*

The total collections (excepting those for Foreign rates) on correspondence from either Colony forwarded by the Panama route.

All amounts credited by the United Kingdom on correspondence to both Colonies. All sums recovered from non-contributing Colonies for transmission of mails, to and from them by this route.

#### 2. *Items to be Debited to the Service.*

All charges for Isthmus transit. All amounts due to London, on correspondence from either Colony for the United Kingdom, at the rate of 3½d. per ounce on letters, and 5½d. per lb. on books, with the half of the registration fees.

#### 3. *That the total amount of Debit against the Service should be deducted from that on the Credit side, and the balance if any to be divided equally between the two Colonies.*

I found it was useless to attempt to induce the Sydney authorities to alter their opinions, especially as the terms of the minute of agreement appeared somewhat to support them. I therefore deemed it advisable, seeing no good result would follow from a protracted dispute on this subject, to draw up in conjunction with the Sydney Accountant a memorandum, two copies of which are attached setting forth in our opinion the most convenient manner in which the accounts in connection with this service may in future be kept, and for the reasons therein stated. This memorandum is of course subject to your approval. Should you be pleased to approve it, I would beg to suggest that one of the copies signed by you should be forwarded to the Postmaster-General of New South Wales, who already has signified his approval thereon.

Before concluding my report, I would beg to refer to the uniform courtesy and patience I experienced on the part of Mr. Docker and his officers, while discussing the matter under dispute, and also to the readiness with which they undertook to take charge of and to forward the Suez mails to and from Auckland.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

W. GRAY.

## Enclosure in No. 51.

THE following arrangements with regard to the accounts for correspondence conveyed by the Panama mail steamers have been agreed upon by the undersigned officers of the General Post Offices, New South Wales and New Zealand, subject to the approval of the Postmaster-General of each Colony :—

1. That quarterly accounts current be rendered by each Colony to the other, showing on the credit side the gross collections on correspondence, &c., by outward mails, and the full amounts due on inward mails from the United Kingdom and Panama; and on the debit side the proportion due to the United Kingdom on outward mails, and for amounts collected on insufficiently paid letters, &c. Foreign postage not to be brought into account; only such items as are divisible to be included.

2. The accounts rendered by New Zealand to include the cost of Isthmus transit on all mails.

3. The accounts rendered by New South Wales to include the amount levied from the non-contracting Colonies, as all charges on such mails, whether forwarded through the Post Office New South Wales, or New Zealand, are to be collected by the former Colony. The necessary information (as regards mails forwarded direct to Wellington) to be supplied by New Zealand, by means of duplicate letter bills.

4. As the charges for mails to or from non-contracting Colonies are to be collected by New South Wales, it will be more convenient that the general accounts be prepared by that Colony.

5. These general accounts to show the whole of the transactions in connection with the service, and to be prepared annually for the purpose of adjustment of the accounts between the two Colonies.

6. A statement as far as practicable showing weight of mails from and to non-contracting Colonies which have passed through Wellington direct, since establishment of the line to date, to be furnished by New Zealand with the least possible delay, in order that New South Wales may collect the amounts, and bring them into the first general account.

General Post Office, Sydney, N.S.W.,  
30th September, 1868.

FRAS. NIGHTENGALE,  
Accountant, G.P.O., Sydney.  
W. GRAY,  
Inspector of Post Office, New Zealand.

