

FURTHER PAPERS

RELATIVE TO

THE SAN FRANCISCO MAIL SERVICE.

(In continuation of Papers presented 16th August, 1870.)

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

WELLINGTON.
1871.

SCHEDULE TO SAN FRANCISCO MAIL SERVICE PAPERS.

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FURTHER PAPERS RELATIVE TO THE SAN FRANCISCO MAIL SERVICE.

No 1.

Messrs. HOLLADAY, BRENHAM, and Co., to the Hon. J. VOGEL.

Office of the North Pacific Transportation Company,
San Francisco, 9th July, 1870.

DEAR SIR,—

You are of course aware that this Company's steamer "Ajax" connects with the steamers of Mr. H. H. Hall, from Melbourne, Sydney, and Auckland, at Honolulu, carrying their mails and passengers.

There is at present a Bill before our Congress authorizing the establishment of ocean mail steamship service between the United States and Australia. It is the universal opinion that it will pass this Session, but in the general hurry and press of business it might not. Should it pass, we have no doubt of being the successful bidders for the contract. In the other event, we are anxious to know whether or not Mr. Hall's contract with your Government is likely to be continued beyond the six months ending in September next; because we propose to make arrangements with Mr. Hall for a continuance of the contract with your Government under better and more favourable circumstances, such as putting on the route much larger and far more suitable steamers, giving greater satisfaction, comfort, and speed.

If compatible and agreeable, we will be obliged to you for this information, as well as any other you may see proper to give us, in relation to this steam communication with your section of the world.

We have, &c.,

The Hon. J. Vogel, Postmaster-General, N.Z.

HOLLADAY AND BRENHAM.

No. 2.

Messrs. HOLLADAY, BRENHAM, and Co., to the Hon. J. VOGEL.

Office of the North Pacific Transportation Company,
San Francisco, 10th July, 1870.

SIR,—

From telegrams received this morning, there is no probability that the Bill referred to in our letter of yesterday will pass this Session. We send you an *Alta* newspaper of this morning.

We have, &c.,

The Hon. J. Vogel, Postmaster-General, N.Z.

HOLLADAY AND BRENHAM.

No. 3.

The Hon. DR. POLLEN to the SECRETARY, General Post Office.

General Government Offices,
Auckland, 22nd July, 1870.

SIR,—

I have the honor to acknowledge the receipt of your letter No. 189, of date 14th July inst., covering a letter to Mr. H. H. Hall, relative to the state and condition of the mail-rooms of the mail steamers, and to inform you that I have forwarded that letter as addressed.

I have, &c.,

The Secretary, General Post Office,
Wellington.

DANIEL POLLEN,
Agent, General Government.

FURTHER PAPERS RELATIVE TO THE

No. 4.

Mr. F. PHILLIPS to the Hon. the COLONIAL TREASURER.

Australasian Steam Navigation Company,
Sydney, 28th July, 1870.

SIR,—

I do myself the honor to draw your attention to the letter of guarantee dated 11th January last, in respect to Mr. H. H. Hall's contract for the conveyance of mails between this port and San Francisco, given by you on behalf of the Government of New Zealand to this Company; and as the period of six months which is named therein, from the departure of the first steamer, and which vessel sailed on the 26th March, will expire on the 26th of September next, I am instructed by my Board of Directors to ask you for an extension of the guarantee during the continuance of the present service.

I have, &c.,

The Hon. the Colonial Treasurer, Wellington, N.Z.

F. PHILLIPS, Secretary.

No. 5.

The Hon. J. VOGEL to Messrs. ROXBURGH, SLADE, and SPAIN.

GENTLEMEN,—

General Post Office, Wellington, 18th August, 1870.

In continuation of my letter to you of 7th March last, I have the honor to inform you that I have received a communication from the Secretary to the A.S.N. Co., dated the 28th ultimo, directing my attention to the fact that the period named in my letter of guarantee of the 11th January last, in respect to Mr. Hall's contract, will expire on the 26th proximo, and requesting, on behalf of his Board of Directors, the extension of the guarantee during the continuance of the present service.

I have to request that you will be good enough to undertake to extend the guarantee from month to month, one month only in advance, until further advised;—this extension, of course, to be given at Mr. Hall's request, and in such a manner as will not prejudice our agreement with him, nor relieve him in any way of his obligations under the contract; nor release him from any penalties already incurred, or which he may incur; nor liability to forfeiture of his contract to which he may have already subjected himself or may subject himself.

I have, &c.,

Messrs. Roxburgh, Slade, and Spain, Solicitors, Sydney.

JULIUS VOGEL.

No 6.

Messrs. ROXBURGH, SLADE, and SPAIN to the Hon. J. VOGEL.

SIR,—

Exchange, Sydney, 23rd September, 1870.

We have the honor to acknowledge receipt of your letter to us of the 18th August, in reference to the extension of the guarantee given to the Australian Steam Navigation Company respecting Mr. Hall's contract for conveyance of mails, and to state that we have placed ourselves in communication with the Company and Mr. Hall, and have submitted the forms necessary to the carrying out of the matter.

We will by next opportunity forward to you copies of the documents. Your instructions shall be strictly attended to.

We have, &c.,

The Hon. J. Vogel, Postmaster-General, N.Z.

ROXBURGH, SLADE, AND SPAIN.

No. 7.

Messrs. ROXBURGH, SLADE, and SPAIN to the Hon. J. VOGEL.

SIR,—

Exchange, Sydney, 30th September, 1870.

Referring to ours of the 23rd instant, in reply to your letter to us of the 18th ultimo, we have now the honor to forward to you the following documents, namely:—

1. Letter from Mr. H. H. Hall addressed to yourself, authorizing the payment to the Australasian Steam Navigation Company of further moneys.
2. Letter from the Secretary of the Company enclosing such letter.
3. Copy of the letter written by ourselves to the Manager, extending the guarantee for one month.

You will observe that by the wording of Mr. Hall's letter, the instructions contained in your letter of the 18th ultimo have been strictly attended to.

After the departure of the outgoing steamer, we shall be prepared, still following your instructions, to extend the guarantee in a similar way for another month, on being requested by Mr. Hall and the Company so to do.

We have, &c.,

The Hon. J. Vogel, Postmaster-General, N.Z.

ROXBURGH, SLADE, AND SPAIN.

Enclosure 1 in No. 7.

Mr. H. H. HALL to the Hon. J. VOGEL.

SIR,—

Sydney, 29th September, 1870.

On the 11th of January last, I addressed to you a letter which was as follows:—"With reference to the agreement for carriage of mails to and from San Francisco, entered into by me with you, for the New Zealand Government, I hereby authorize and request you, on account and out of the moneys or subsidies which may be or may become payable to me thereunder, to pay, by anticipation or otherwise, to the Australasian Steam Navigation Company, on account of my charter with them to the extent of £6,000, by monthly payments of £1,000, in such manner as you may think fit; and I

also, subject to our said agreement, charge any surplus subsidy money of £1,250 per service which may be in your hands, or in the hands of the New Zealand Government, with the payment to the said Company of any moneys they may expend for seamen's wages or coals of or for the steam vessels chartered by them to me, and authorize and request you, subject to our said agreement, to pay the same to them on such evidence as you may think fit."

I now hereby further authorize and request you, on account and out of the moneys or subsidies which may be or may become payable to me thereunder, to pay, by anticipation or otherwise, to the Australasian Steam Navigation Company, on account of my charter with them, to the extent of a further £6,000, or any less amount, by monthly payments of £1,000, in such manner as you may think fit. And I also, subject to our said agreement, charge any surplus subsidy money of £1,250 per service which may be in your hands, or in the hands of the New Zealand Government, with the payment to the said Company of any moneys they may expend for seamen's wages or coals of or for the steam vessels chartered by them to me, and authorize and request you, subject to our said agreement, to pay the same to them on such evidence as you may think fit. And I hereby expressly declare and agree, that nothing in my said letter to you of the 11th of January last, nor in this letter contained, nor any payment made or to be made by you thereunder respectively, nor any guarantee or undertaking given or to be given by you in consequence thereof, nor any other act or thing done or which may be done by you in respect thereof, shall in any way prejudice the before-mentioned agreement for the carriage of mails, entered into by me with you, for the New Zealand Government, nor relieve me in any way from obligations present or future thereunder; nor release me from any penalties which I may have already incurred or may hereafter incur in respect thereof, nor from any liability to forfeiture of the Contract to which I may have already subjected myself, or may subject myself.

The Hon. J. Vogel, Postmaster-General, N.Z.

I have, &c.,

H. H. HALL, U.S.C.

Enclosure 2 in No. 7.

Mr. F. PHILLIPS to the Hon. J. VOGEL.

Australasian Steam Navigation Company,
Sydney, 29th September, 1870.

SIR,—

I do myself the honor to hand you, under this cover, a letter under date of 29th instant, addressed to you by Mr. H. H. Hall, in respect to the continued payment to this Company of certain moneys, on account of the charter to that gentleman of two of our steamers, receipt of which, be so good as to acknowledge, and indorse the conditions therein named.

I have, &c.,

The Hon. J. Vogel, Postmaster-General, N.Z.

F. H. A. PHILLIPS.

Enclosure 3 in No. 7.

Messrs. ROXBURGH, SLADE, and SPAIN to Captain TROUTON.

Sydney, 29th September, 1870.

SIR,—

In reply to your letter to the Honorable Julius Vogel, Postmaster-General, New Zealand, of the 29th instant, enclosing a letter addressed to him by Mr. H. H. Hall, of the 29th instant, respecting the continued payment to your Company of certain moneys, on account of subsidy moneys, which may be or become payable to him under the agreement entered into with him by Mr. Vogel, as Postmaster-General of New Zealand, on behalf of the New Zealand Government, we are authorized to say that, in accordance with Mr. Hall's said letter, the Government of New Zealand will and hereby extend the guarantee contained in Mr. Vogel's letter to you of the 11th of January, 1870, and make the payments as therein for a further period of one month in manner and upon and subject to the terms in such last-mentioned letter contained.

We beg to enclose copy of our authority, and to point out that we are authorized to extend this guarantee from month to month until further advised.

We have, &c.,

Fred. Trouton, Esq., Manager, A.S.N. Co.

ROXBURGH, SLADE, AND SPAIN.

No. 8.

Mr. F. PHILLIPS to the Hon. J. VOGEL.

Australasian Steam Navigation Company,

Sydney, 29th September, 1870.

SIR,—

With reference to my application to you, under date of 28th July last, for an extension of the guarantee on account of Mr. H. H. Hall's contract, I have been informed by Messrs. Roxburgh, Slade, and Spain that they have been instructed by you "to extend the guarantee from month to month, one month only in advance, until further advised; this extension to be given at Mr. Hall's request."

I beg leave respectfully to point out that this guarantee is not so satisfactory as my directors could wish, inasmuch as it only covers one month, and it is also somewhat objectionable that each month it will be necessary to obtain Mr. Hall's request. It might so happen that that gentleman would be out of town when the application was required to be made, or he might decline to give it, and possibly the whole service would thereby be jeopardized.

My Board will therefore feel obliged by your putting the matter into a more satisfactory shape, by the extension of the guarantee for a given period, say three months, irrespective of a repeated application to Mr. Hall.

I have, &c.,

The Hon. the Postmaster-General, N.Z.

F. H. A. PHILLIPS, Secretary.

FURTHER PAPERS RELATIVE TO THE

No. 9.

The Hon. J. VOGEL to Captain TROUTON.

General Government Offices,

SIR,—

Auckland, N.Z., 13th October, 1870.

I have the honor to acknowledge the receipt of a press copy of a letter dated Sydney, 29th September, 1870, from the Secretary to your Company; the original letter having, as I understand, been addressed to me at Wellington.

In reply, I have to state that I have by this mail written to Messrs. Roxburgh, Slade, and Spain, requesting them to give to your Company such assurances respecting the guarantee on behalf of Mr. H. H. Hall, as those gentlemen may feel themselves at liberty to give, consistently with a rigid avoidance of everything calculated to prejudice the arrangement which we have with Mr. Hall.

I have, &c.,

Captain Trouton, General Manager, A.S.N. Co.,
Sydney.

JULIUS VOGEL,
Postmaster-General.

No. 10.

The Hon. J. VOGEL to Messrs. ROXBURGH, SLADE, and SPAIN.

GENTLEMEN,—

General Government Offices, Auckland, 13th October, 1870.

I am in receipt of your letter of the 30th September, with enclosures; and I have to thank you for the attention you have given to the matter which is the subject of the letter and of the enclosures.

The Australasian Steam Navigation Company have, through their Secretary, written to me, complaining that a guarantee from month to month, in connection with the Californian Mail Service, is very inconvenient for them, as it necessitates their obtaining from Mr. Hall, month by month, a written request, it having been made a condition that the guarantee to the Company should be given only on such request.

If, without in any way prejudicing the contract of the New Zealand Government with Mr. Hall, you can see your way to obtaining from Mr. Hall a more general authority than hitherto, so that you would be enabled to assure the Australasian Steam Navigation Company that the guarantee to them was of a more continuous nature than one from month to month, with a single month only in advance, I am quite willing that you should obtain such a document, and give such an assurance.

Perhaps, however, it would be sufficient if you were to assure the A.S.N. Co. that we have directed the Oriental Bank to pay to them £1,000 a month, on account of Mr. Hall, so long as they continue to despatch, for Mr. Hall, a steamer month by month for Honolulu, or until we give notice to the Bank to discontinue such payment.

I shall reply to the letter of the A.S.N. Co. before mentioned, by referring the Company to you for information as to the conclusions arrived at; and I must repeat, that I trust to you to take the utmost care to prevent our being prejudiced in respect to our contract with Mr. Hall.

I have, &c.,

JULIUS VOGEL,
Postmaster-General.

Messrs. Roxburgh, Slade, and Spain, Sydney.

No. 11.

Messrs. ROXBURGH, SLADE, and SPAIN to the Hon. J. VOGEL.

SIR,—

Exchange, Sydney, 31st October, 1870.

We beg to acknowledge receipt of your letter of the 13th instant.

We have since had an interview with the Manager of the A.S.N. Co. on the subject, and have succeeded in satisfying him. Indeed, had his Secretary taken the trouble at the first to explain the matter properly to him, he, Captain Trouton, would not, we think, have found it necessary to trouble you in the matter.

You will observe that, by the letter which we took from Mr. Hall addressed to yourself, of date 29th September last, he authorized the payment by you of £6,000 further, in monthly payments, &c., and also continued the charge of balance of subsidy moneys in your hands with payment to the Company of wages, coals, &c. We can therefore continue to give monthly extensions to the Company, without any further request or authority from Mr. Hall, to the extent authorized by his letter, so long as he does not withdraw the authority contained in such his letter. We have now given a second extension for one month, as you will see by the accompanying copy of our letter to the Manager, of the 27th instant; and as soon as the month which it covers is well begun and the mail despatched, we will give a third further extension, and so on, so as to keep the Company always guaranteed a full clear month in advance; conceiving this to be the intention and within the proper scope of your instruction to us of the 18th August, 1870.

And we should certainly (as we informed the Secretary at the time of giving the first extension,) have given the second guarantee as soon as the current month had well begun, and the last mail-boat despatched, had we been applied to for it.

We trust that this will meet with your approbation, and shall be much obliged by your ratifying this our view of the matter.

We have, &c.,

The Hon. J. Vogel, Postmaster-General, N. Z.

ROXBURGH, SLADE, AND SPAIN.

Enclosure in No. 11.

Messrs. ROXBURGH, SLADE, and SPAIN to Captain TROUTON.

Sydney, 27th October, 1870.

SIR,—

Referring to your letter to the Hon. Julius Vogel, Postmaster-General, New Zealand, of the 29th ultimo, enclosing a letter addressed to him by Mr. H. H. Hall of the 29th ultimo, respecting the continued payment to your Company of certain moneys on account of subsidy moneys which may be or become payable to him under the agreement entered into with him by Mr. Vogel, as Postmaster-General of New Zealand, on behalf of the New Zealand Government, and to our letter to you thereon of said 29th ultimo, we are authorized to say that, in accordance with Mr. Hall's said letter, the Government of New Zealand will extend the guarantee contained in Mr. Vogel's letter to you of the 11th of January, 1870, and make the payments as therein for a second further period of one month in manner and upon and subject to the terms in Mr. Hall's said letter contained.

We have, &c.,

Fred. Trouton, Esq., Manager, A.S.N. Co.

ROXBURGH, SLADE, AND SPAIN.

No. 12.

The Hon. J. VOGEL to the Hon. Dr. POLLEN.

General Post Office, Wellington, 2nd August, 1870.

SIR,—

I have the honor to inform you that, as Mr. Hall has completed three voyages to San Francisco and back, I have consented to pay to him a further sum of £500 on account of the £2,000 guarantee, which, with £500 previously paid, will make half the total guarantee.

This further payment, however, is not to be made unless the "Wonga Wonga" arrive at Auckland from Sydney, *en route* for Honolulu; and should she so arrive, I shall feel obliged by your making arrangements for payment of the money.

I have, &c.,

The Hon. Dr. Pollen, Auckland.

JULIUS VOGEL.

No. 13.

The Hon. Dr. POLLEN to the Hon. J. VOGEL.

General Government Offices,

Auckland, 9th August, 1870.

SIR,—

I have the honor to acknowledge the receipt of your letter of date 2nd August instant, and to inform you that the "Wonga Wonga" having arrived from Sydney, *en route* to Honolulu, I have made arrangement with the Bank of New Zealand for the payment of £500 to Mr. H. H. Hall in Sydney as you directed.

I enclose copy of my letter to the Manager of the Bank, and of the advice to Mr. Hall.

I have, &c.,

The Hon. the Postmaster-General,
Wellington.DANIEL POLLEN,
Agent, General Government.

Enclosure 1 in No. 13.

The Hon. Dr. POLLEN to the MANAGER, Bank of New Zealand.

General Government Offices,

Auckland, 8th August, 1870.

SIR,—

I have been directed by Mr. Vogel to request that you will remit the sum of £500 to Sydney for payment, in the usual course, to Mr. H. H. Hall, the contractor for the San Francisco Mail Service, this being the second instalment (making one-half) of the sum of £2,000 agreed to be advanced to make up the amount of contributions from other Colonies to the subsidy of the line.

I have, &c.,

The Manager, Bank of New Zealand,
Auckland.DANIEL POLLEN,
Agent, General Government.

Enclosure 2 in No. 13.

The Hon. Dr. POLLEN to Mr. H. H. HALL.

General Government Offices,

Auckland, 8th August, 1870.

SIR,—

I have the honor to inform you that the sum of £500 has, by direction of the Hon. the Postmaster-General, been remitted through the Bank of New Zealand for payment to you in the usual course, this being the second instalment (making one-half) of the sum of £2,000 agreed to be advanced to make up the amount of contributions from other Colonies to the subsidy of the Californian, New Zealand, and Australian Mail Service.

I have, &c.,

H. H. Hall, Esq., U.S. Consul,
Sydney, N.S. Wales.DANIEL POLLEN,
Agent, General Government.

FURTHER PAPERS RELATIVE TO THE

No. 14.

The Hon. Dr. POLLEN to the Hon. J. VOGEL.

General Government Offices,

Auckland, 8th September, 1870.

SIR,—

With reference to my letter No. 311, of date 9th August ultimo, I have the honor to transmit, enclosed, a letter of Mr. H. H. Hall, acknowledging the receipt of the remittance of £500, made by your directions.

The Hon. the Postmaster-General,
Wellington.

I have, &c.,

DANIEL POLLEN,

Agent, General Government.

Enclosure in No. 14.

Mr. H. H. HALL to the Hon. Dr. POLLEN.

U.S. Consulate, Grafton Wharf,

Sydney, 30th August, 1870.

SIR,—

I have the honor to acknowledge receipt of your letter of the 8th instant, No. 308, informing me that the sum of £500 has, by direction of the Hon. the Postmaster-General, been remitted through the Bank of New Zealand for payment to me in the usual course, this being the second instalment (making one-half) of the sum of £2,000 agreed to be advanced to make up the amount of contributions from other Colonies to the subsidy of the Californian, New Zealand, and Australian Mail Service.

I have duly received the amount, and for which I thank you.

To Daniel Pollen, Esq., Agent, General Government,
Auckland, N.Z.

I have, &c.,

H. H. HALL,

Per W. BUYERS.

No. 15.

The Hon. Dr. POLLEN to the Hon. J. VOGEL.

General Government Offices,

Auckland, 22nd August, 1870.

SIR,—

I have the honor to transmit herewith a letter from Messrs. Cruickshank, Smart, and Co., the Auckland agents for the San Francisco Mail Steamers, intimating that they may probably require some pecuniary assistance from the Government, on account of the contractor, Mr. Hall, to enable them to despatch the "City of Melbourne" and "Wonga Wonga" on their next arrival at this port.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

DANIEL POLLEN.

Enclosure in No. 15.

Messrs. CRUICKSHANK, SMART, and Co., to the Hon. Dr. POLLEN.

Auckland, New Zealand, 22nd August, 1870.

SIR,—

We have the honor to inform you that we are already under advance to Mr. Hall, for disbursements on account of the Californian steamers at this port, nearly £400 sterling; and unless passengers come forward from New Zealand for next steamer in greater numbers than they have done for the two last, there is a possibility of the "City of Melbourne" and "Wonga Wonga" being detained here for want of funds.

We have thought it well to advise you of this, and to respectfully request that you would obtain Mr. Vogel's consent to render us such pecuniary assistance on account of the contractor, Mr. Hall, as may be necessary to facilitate the despatch of the mail steamer.

The Hon. Dr. Pollen, Agent, General Government,
Auckland.

We have, &c.,

CRUICKSHANK, SMART, AND CO.

No. 16.

The Hon. J. VOGEL to the Hon. Dr. POLLEN.

General Post Office,

Wellington, 7th September, 1870.

SIR,—

I have the honor to acknowledge receipt of your letter of 22nd ultimo, forwarding a communication from Messrs. Cruickshank, Smart, and Co., agents for the San Francisco Mail Steamers, wherein they intimate that they may probably require some pecuniary assistance from Government on account of the contractor, Mr. Hall, to enable them to despatch the "City of Melbourne" and "Wonga Wonga" on their next arrival at Auckland; and to inform you that, although the Government do not admit that the Contractor has any claim to pecuniary assistance in these cases, I requested His Honor the Superintendent of Auckland, on his leaving Wellington on Saturday last, if actual and immediate necessity arose for guarding against the detention of the mails, to consult with you, and in case of need to render some little assistance.

The Hon. Dr. Pollen, Auckland.

I have, &c.,

JULIUS VOGEL.

No. 17.

The Hon. Dr. POLLEN to the Hon. J. VOGEL.

General Government Offices,

Auckland, 9th September, 1870.

SIR,—

With reference to my letter (No. 338) of date August 22nd ult., I have the honor to transmit a letter addressed to me on the arrival of the mail steamer "City of Melbourne," by Messrs. Cruickshank, Smart, and Co., the agents of Mr. H. H. Hall. I enclose also copy of my reply.

I saw Captain Granger, and was satisfied that if the remittance expected were not made, the mails might be subjected to detention at Honolulu; and believing that the Government would wish if possible to prevent a disturbance of the regularity of the service from such a cause, I have taken upon myself the responsibility of obtaining an advance of £500 from the Paymaster here, in order to enable the Agents to comply with the requisition of the Contractor.

Out of this advance I have paid the Mail Agents' passage bill, £320; and, in addition, a sum of £180, by way of advance on account of subsidy.

Trusting that my action in this matter will meet with your approval,

I have, &c.,

The Hon. the Postmaster-General,
Wellington.

DANIEL POLLEN,

Agent, General Government.

Enclosure 1 in No. 17.

Messrs. CRUICKSHANK, SMART, and Co. to the Hon Dr. POLLEN.

Auckland, N.Z., 7th September, 1870.

SIR,—

We have the honor to enclose you an account of the passage-money payable by the Government for the conveyance of the Mail Agents between Auckland and San Francisco, and *vice versa*, amounting in all to £320 sterling. Mr. Hall has authorized us to receive this money, and has further directed us to make a remittance of £500 on his account by the "City of Melbourne" to Honolulu.

We have reason to believe that this remittance is indispensably necessary for the carrying out of the mail service, and to prevent detention of the mail steamer at that place. Having no funds of Mr. Hall's in our hands, and being under advances for current supplies here, we are not in a position to make the necessary remittance unless we can obtain from the Government a sum of £280 as a payment to Mr. Hall on account of his subsidy in addition to the amount of the account above mentioned.

We have, &c.,

The Hon. Dr. Pollen, Agent, General Government,
Auckland.

CRUICKSHANK, SMART, AND CO.

Enclosure 2 in No. 17.

The Hon. Dr. POLLEN to Messrs. CRUICKSHANK, SMART, and Co.

General Government Offices,

Auckland, 9th September, 1870.

GENTLEMEN,—

I have to acknowledge the receipt of your letter of this date, covering an account for passages of Mail Agents between Auckland and San Francisco amounting to £320, and requesting, in addition to the payment of that account, a sum of £280 as a payment to Mr. Hall on account of subsidy, in order that you may be enabled to remit £500 to Honolulu in compliance with Mr. Hall's directions.

I have no authority to make such payments as you now require, but as your letter states that a remittance of £500 to Honolulu by the "City of Melbourne" is indispensably necessary and cannot be provided for by you, and as you have assured me personally that if the money be not sent the mail service must get into disorder, I will take upon myself the responsibility of obtaining an advance from the Paymaster of £500, out of which I will pay the Mail Agents' passage bill (£320), and make a further payment of £180 on account of subsidy, thus making up the amount of the remittance required by Mr. Hall to be made by you.

I have, &c.,

Messrs. Cruickshank, Smart, and Co.,
Agents, Australian, New Zealand, and San Francisco
Mail Steamers, Auckland.

DANIEL POLLEN,
Agent, General Government.

No. 18.

The Hon. F. D. BELL and the Hon. I. E. FEATHERSTON to the Hon. W. GISBORNE.

SIR,—

London, 9th August, 1870.

We do ourselves the honor to acknowledge the receipt of your letter of the 28th May, on the subject of the Atlantic and Pacific Company's proposals for a steam service.

You have been kept informed, in various communications, of the proceedings in this matter since we first wrote out about it. The only thing which it is now necessary to say is, that in this matter, as in almost every other enterprise at the same stage, the outbreak of the Continental war has put a complete stop, at present, to all idea of going on with the scheme. It will require a complete recovery from the panic which has affected all securities and projects, before this one can be revived.

We have, &c.,

F. D. BELL,

I. E. FEATHERSTON,

} Commissioners.

The Hon. William Gisborne.

FURTHER PAPERS RELATIVE TO THE

No. 19.

The Hon. J. VOGEL to the Hon. the POSTMASTER-GENERAL, New South Wales.
 General Post Office, Wellington, 18th August, 1870.

SIR,— With reference to your letter of the 4th March last, in which you request that, on the return of the officer despatched by this Department to America with the first mails *via* San Francisco, you may be furnished with the necessary information respecting the transit of mails by this route through the United States territory,—that officer having now returned, I have the honor herewith to transmit for your information a statement of the arrangements made with the Washington Department, for the exchange of international correspondence between the two countries, and for the transit of closed mails through the United States territory to destination, and the rates chargeable thereon.

I have, &c.,

JULIUS VOGEL,
 Postmaster-General.

The Hon. the Postmaster-General, Sydney.

Enclosure in No. 19.

Arrangements.

1. Correspondence for the United States of America to be made up into mails addressed to San Francisco.
2. Correspondence for places other than the United States to be made up into closed mails, and addressed accordingly.
3. Correspondence for the Canadian Dominions, and other British North American Provinces in the east, to be charged transit rates as follows:—Letters, 6 cents per ounce; printed matter of all kinds, 16 cents per pound.
4. Correspondence for British Columbia, Mexico, Central and South America, and the West Indies, to be charged transit rates for land and sea carriage as follows:—Letters, 25 cents per ounce; printed matter of all kinds, 20 cents per pound.
5. On the letter bills accompanying the mails for San Francisco will be rendered an account of the weight of the letters, and also of the printed matter, contained in such closed mails forwarded for transmission to either of the above-named countries and colonies; and the accounts arising between the two offices on this class of correspondence to be stated, adjusted, and settled quarterly.
6. Correspondence between the Colony and the United States to be prepaid. Insufficiently paid letters, on which a single rate or more has been prepaid, to be forwarded. Each Department to retain the prepaid postage on the outward correspondence, and the deficient postage on the inward. No accounts to be kept between the Departments of the two countries upon the international correspondence exchanged between them.
7. Mails for England to be conveyed from San Francisco to New York, and thence by steamer to Queenstown, or Liverpool, as the case may be, in terms of a Postal Convention between the United Kingdom and the United States Departments.

No. 20.

The Hon. W. MILNE to the Hon. the COLONIAL SECRETARY.

SIR,— Chief Secretary's Office, Adelaide, 23rd August, 1870.

Referring to a letter from this office of date 13th April last, stating that this Government could not at present enter into arrangements for subsidizing the Pacific Mail Service, as proposed in your communication of the 28th February last, I have the honor, by desire of His Excellency Sir James Fergusson, to inquire whether your Government will allow South Australian mails to be made up for transmission by that route, on payment of extra postage, to be accounted for in lieu of a subsidy; and if so, to request you to be so good as to furnish a scale of the extra rate required to be paid.

I have, &c.,

WILLIAM MILNE.

The Hon. the Colonial Secretary, New Zealand.

No. 21.

The Hon. J. VOGEL to the Hon. the CHIEF SECRETARY, South Australia.

SIR,— General Government Offices, Auckland, 3rd October, 1870.

On behalf of the Colonial Secretary, I have the honor to acknowledge the receipt of your letter of the 23rd August.

In reply thereto, I beg to refer you to a letter written by Mr. H. S. Hurst, dated 12th July, 1870, and the answer by the Secretary to the New Zealand Postal Department, dated 1st August, 1870. The latter letter embodies the only terms upon which the New Zealand Government are at present at liberty to enter into arrangements with your Government for the transmission of correspondence by the San Francisco Mail Route.

I shall be glad to learn that your Government are disposed to make the contribution proposed in the letter of 1st August.

I have, &c.,

JULIUS VOGEL.

The Hon. the Chief Secretary, South Australia.

No. 22.

The Hon. CHARLES COWPER to the Hon. the COLONIAL SECRETARY.

Sydney, 29th August, 1870.

SIR,—

The Postmaster-General of this Colony having communicated to me a letter received by him from the Postmaster-General of New Zealand, under date the 2nd instant, having reference to my letter of the 5th May last on the subject of the Mail Service *via* California, I have now the honor to inform you that this Government has placed on the Supplementary Estimates of Expenditure for this year an amount at the rate of £10,000 per annum, and on the General Estimates of Expenditure for the year 1871 the sum of £10,000, as the contribution of New South Wales towards the maintenance of the Mail Service *via* California, from the date of its commencement.

2. The Estimates referred to will shortly be submitted, and there is little doubt that Parliament will sanction the payment of the contribution proposed therein.

3. It will of course be understood that the payment of the amount in question by New South Wales will be conditional on the observance of the provisional agreement dated 6th January last.

4. I have the honor to add that, under the circumstances just explained, this Colony will, in anticipation of your approval, continue to forward mails by the steamers leaving Sydney every month.

5. A communication to the above effect has, I understand, been addressed by the Postmaster-General of this Colony to the Postmaster-General of New Zealand, for despatch by the outgoing mail.

I have, &c.,

CHARLES COWPER.

The Hon. the Colonial Secretary, New Zealand.

No. 23.

The Hon. J. VOGEL to the Hon. the COLONIAL SECRETARY, New South Wales.

Wellington, 17th September, 1870.

SIR,—

I have the honor, on behalf of the Colonial Secretary, to acknowledge the receipt of your letter of 29th August, in which you inform him that your Government have placed on the Supplementary Estimates for this year, an amount at the rate of £10,000 per annum, and on the General Estimates for 1871 the sum of £10,000, as the contribution of New South Wales towards the maintenance of the Mail Service *via* California, from the date of its commencement; and you add that it will of course be understood that payment of the amount in question by New South Wales will be conditional on the observance of the provisional agreement, dated 6th January, 1870.

In reply, I have the honor to point out to you that circumstances have now rendered it beyond the power of this Government to abide by that provisional agreement.

You will, I hope, acquit this Government of anything but an anxious desire to give effect to the arrangement entered into in January last; but we have found it difficult even to obtain replies from your Government to our communications on the subject, and there has been nothing to warrant us in submitting to the Assembly the question of approving the provisional agreement. On the other hand, the Californian Service has been continued, and you did not even propose to this Government to make the current contribution towards it, as asked by my letter of the 10th January last, and which, before I left Sydney, it was understood you would do under any circumstances. Instead of making a current contribution, you offered a payment of 20s. per lb. for mails carried for New South Wales, a payment which would have been of very little use indeed towards aiding the contract.

The Assembly of New Zealand met after your Parliament had been adjourned, and it appeared very evident to us that we should have to make our own arrangements.

I have the honor to enclose to you a copy of resolutions on the subject, which were adopted by our Assembly.

You will understand that these resolutions contemplate a possible change of the service, so that I am not now at liberty to make any arrangement with you beyond that you should, as was originally understood, contribute towards the service at the rate of £10,000 a year from its commencement.

I have to add, that should any modification of the service be effected, the intention is to arrange for thirteen services during the year, and, if your Government is willing to contribute, to so regulate the voyages as to make the service alternate in Sydney with that *via* Suez. I hope, therefore, you will have no difficulty in agreeing to postpone any final arrangements until we have had an opportunity of further discussion—probably a personal one, as may be arranged; and that meanwhile your Government will agree to pay at the rate of £10,000 a year from the commencement of the service.

Should this be agreed to, I shall be obliged by your remitting to me the amount due up to the present time, in order that I may pay it to the contractor, less about £1,000 which I have had to pay him on your account, I having in Sydney guaranteed to him £2,000 as a contribution from New South Wales during the first six months of his contract period.

I have, &c.,

JULIUS VOGEL.

The Hon. the Colonial Secretary, Sydney, N.S.W.

No. 24.

The Hon. DAN. EGAN to the Hon. the Postmaster-General.

General Post Office, Sydney, 29th August, 1870.

SIR,—

I have the honor to acknowledge the receipt of your letter dated the 2nd instant, F. 70-136, having reference to a communication dated the 5th May last, which was addressed by the Colonial Secretary of this Colony to the Government of New Zealand, on the subject of the Mail Service *via* California.

2. In reply, I have much pleasure in informing you that the Government of this Colony has placed on the Supplementary Estimates of Expenditure for this year an amount at the rate of £10,000 per annum, and on the General Estimates of Expenditure for the year 1871 the sum of

£10,000, as the contribution of New South Wales towards the maintenance of the Mail Service *via* California, from the date of its commencement.

The Estimates referred to will shortly be submitted, and there is little doubt that Parliament will sanction the payment of the contribution mentioned therein.

3. It will of course be understood that the payment of the amount in question by New South Wales shall be conditional on the observance of the provisional agreement dated the 6th January last.

4. Under the circumstances just explained, this Colony will, in anticipation of your approval, continue to forward mails by the steamers leaving Sydney every month.

5. I may add that the Government of New Zealand will no doubt receive a similar communication to this one, by the out-going mail, from the Hon. the Colonial Secretary of this Colony.

I have, &c.,

DAN. EGAN,

The Hon. the Postmaster-General, Wellington, N.Z.

Postmaster-General.

No. 25.

The Hon. J. VOGEL to the Hon. the POSTMASTER-GENERAL, New South Wales.

SIR,—

Auckland, 22nd September, 1870.

I have the honor to acknowledge receipt of your letter of the 29th August, 1870, containing information as to the course proposed to be adopted by your Government with reference to the Californian Mail Service.

A letter of similar tenor and even date was received from the Hon. the Colonial Secretary of New South Wales, and to that gentleman I have addressed a reply at length, to which, if you will allow me, I will refer you, and copy of which I attach hereto.

I trust you will have no difficulty in at once agreeing to contribute on the terms stated in my letter to the Hon. the Colonial Secretary. I confess that I do not see how we can arrange to carry your mails upon any other terms.

I hope that we shall be shortly able to make the Californian Service a fully satisfactory one—a service such as, having regard to the advantages which it will secure to you, will be undeniably economical.

I have, &c.,

JULIUS VOGEL.

The Hon. the Postmaster-General, Sydney, N.S.W.

No. 26.

The Hon. J. VOGEL to the Hon. the COLONIAL SECRETARY, Sydney.

General Government Offices,

Auckland, N.Z., 13th October, 1870.

SIR,—

I have not received an answer to my letter of the 17th September, 1870, respecting the contribution to be made by your Government towards the cost of the Californian Mail Service.

As, however, mails from New South Wales were despatched by this month's steamer, I am happy to believe that it is the intention of your Government to make regular payments on behalf of the service, in terms of my letter of the 17th September.

I shall be glad, therefore, if your Government will cause to be paid into the Oriental Bank, Sydney, to the credit of the New Zealand Government, the sum of £5,000, being the amount due on account of the six monthly services which will be completed on the return of the "City of Melbourne," by which steamer this letter will be forwarded; and thereafter I shall be obliged by your paying monthly, to the Oriental Banking Company, on the return of each steamer from Honolulu, the one-twelfth part of £10,000.

I have, &c.,

JULIUS VOGEL,

Postmaster-General.

The Hon. the Colonial Secretary, Sydney, N.S.W.

No. 27.

Mr. H. H. HALL to the Hon. J. VOGEL.

SIR,—

U.S. Consulate, Grafton Wharf, Sydney, 31st August, 1870.

I have the honor to inform you that, in terms of the twenty-second clause of the Memorandum of Agreement entered into with your Government for the conveyance of mails between Sydney and San Francisco, I am prepared to continue said service for a further term of four years; but would solicit the extension of the time to thirty-two days between Sydney and San Francisco, as I find it impossible to do it in less time. This is a 10-knot service for the distance run.

I have, &c.,

H. H. HALL, U.S.C.

The Hon. the Postmaster-General, N.Z.

No. 28.

The Hon. J. VOGEL to Mr. H. H. HALL.

SIR,—

Wellington, 17th September, 1870.

In reply to your letter of the 31st August, in which you state that you are prepared to continue the Californian Mail Service for a further term of four years, and ask for a modification in

the terms of your contract, I have the honor to inform you that it seems to me rather inconsistent that you should write about continuing the contract whilst you are performing it so inadequately.

Not only do you not keep time, but the Company from whom you obtain vessels have written to me for a guarantee for your fulfilment of the charter, and your agents in Auckland make pressing demands for sums beyond what are due to you, and intimate that a failure to comply with their applications will cause difficulties in the way of your procuring coal.

H. H. Hall, Esq., U.S.C., Sydney.

I have, &c.,
JULIUS VOGEL.

No. 29.

Mr. H. H. HALL to the Hon. J. VOGEL.

United States Consulate, Grafton Wharf,
Sydney, 31st August, 1870.

SIR,—

I have the honor to acknowledge receipt of your letter of 29th ultimo, No. 2,139, and in reply have to state, in reference to the copy of agreement with Holladay and Brenham, that my object in sending it was merely to show you the arrangements I had entered into with the North Pacific Transportation Company, and not in any way to withdraw from my responsibilities under my contract with your Government. The agreement shows on what terms the North Pacific Transportation Company are prepared to connect with my steamers at Honolulu. You are aware that my charter with the Australasian Steam Navigation Company allows me to run as far as Honolulu, and I understood that you were willing to allow me to connect with the North Pacific Transportation Company's steamers at that point. As it appears you are not altogether satisfied with this arrangement, I shall be glad to have your views on the subject.

2. In reference to the paragraph in your letter bearing on the subsidy, I have only to request that instructions be given to the Bank of New Zealand for the continued payment of the £1,250 per month.

3. In reference to the paragraph in your letter bearing on penalties, I may state that I acknowledge having laid myself open to such penalties; but I trust that before my twelve months' service is completed you will have reason to acknowledge that I have in some measure redeemed the failures of the first six months, caused not through any remissness on my part, but by the many and aggravated difficulties I have had to contend with in conducting this service.

4. I have forwarded to my agents in Auckland the account for the passage-money of the Mail Agents amounting to £320, and for the payment of which I shall thank you to give the necessary instructions.

5. I have to thank you for the second instalment you have made to me under your guarantee, and which I will have to return to you on receiving payment of the subsidy from this Government, if not already covered by postages from the other non-contributing Colonies.

6. I have to thank you for the enclosures referred to in your letter, and believe they have had the desired effect, at least on this Colony, for Mr. Cowper informs me they have advised your Government of their acceptance of the contract entered into with me; and judging from the letters received from my agents at Melbourne, I hope your letter may have a similar effect on the Victorian Government.

7. I have to request that you will be good enough to instruct this Government to pay to me the proportion of subsidy now due from them. If I had this I should be able to go on comfortably, and complete my arrangements for a hulk, &c., at Honolulu, and would enable me to avoid asking you for any further assistance.

The Hon. J. Vogel, Postmaster-General, N.Z.

I have, &c.,
H. H. HALL, U.S.C.

No. 30.

The Hon. J. VOGEL to Mr. H. H. HALL.

Wellington, 17th September, 1870.

SIR,—

I have the honor to acknowledge receipt of your letter of the 31st August, in which you reply to mine of the 29th July, and also refer to other matters.

The only part of your letter to which I will now reply, is that referring to the contribution which you allege New South Wales is willing to make towards your contract. You state that Mr. Cowper informs you that his Government have advised our Government of their acceptance of the contract entered into with you. That is however not quite correct. Mr. Cowper states that his Government agree to make a contribution towards your service; but he also states that doing so is based upon a provisional agreement, which referred not only to the Californian Service but to a Torres Strait Service, which provisional agreement has entirely fallen through, and cannot now be revived.

A communication of even date with this is addressed to Mr. Cowper, asking that his Government will agree to make their contribution to the Californian Service from month to month, and from the commencement of the service. Should Mr. Cowper accede to this request, I have asked him to remit to me the whole amount due, from which we will deduct the amount of payments made to you by this Government on account of New South Wales, and will hand the balance over to your agents in Auckland.

H. H. Hall, Esq., U.S. Consul, Sydney.

I have, &c.,
JULIUS VOGEL.

No. 31.

The Hon. Sir JAMES McCULLOCH to the Hon. the COLONIAL SECRETARY.

Chief Secretary's Office,
Melbourne, 8th September, 1870.

SIR,—

I have the honor to acknowledge the receipt of a letter from the Postmaster-General of New Zealand addressed to the Postmaster-General of Victoria, in which communication it is stated that the

proposal of this Government for the payment, as in the case of the Panama Service, of 20s. per pound on the weight of the mails carried by the steamers engaged in the service newly established between Sydney and San Francisco cannot be entertained, and in which Mr. Vogel expresses the opinion that until this Government is sufficiently impressed with the value of the service *via* San Francisco to be willing to make the contribution of £6,000 per annum asked for, the Post Office Department of this Colony should abstain from making use of it.

In reply I have the honor to state that the Government of Victoria is glad to recognize that it is in no unfriendly spirit that the Government of New Zealand has come to the conclusion not to accept the proposition of this Colony in connection with the Californian Mail Service.

The Government of New Zealand is aware that Victoria is under large annual obligations for the Mail Service *via* Suez and Galle, which has recently been a model of regularity and of essential service to all of the Australian Colonies and New Zealand, by the punctuality of its deliveries and the lateness of its telegraphic news, and for this reason the route *via* Sydney, San Francisco, and Honolulu became only of secondary importance to Victoria, excepting so far as regarded communication with the United States of America after the stoppage of the line *via* Panama.

The Colony of Victoria had not therefore the same active interest in the new line as New Zealand, and consequently this Government felt constrained to measure the extent of its contribution by the use made of the line for correspondence (excluding newspapers and packets), and can only regret that the shipment of the mails, with the concurrence of the Agents of the Contractors in Sydney, on the supposition that the privilege would be accorded on the same terms as the mails were carried by the Panama Steamers, has not met with the approval of your Government.

Under the circumstances, there appears to be no alternative but for the Postmaster-General of this Colony to discontinue making up mails for transmission by the mail steamers leaving Sydney for San Francisco under contract with your Government, and instructions to this effect have accordingly been issued.

For the due delivery of mails now in course of transit by the San Francisco route, forwarded for this place before the decision on this subject could have become known to the Post Office authorities in London, this Colony must be indebted to the courtesy of your Government, and rely on your causing the said mails to be forwarded.

It only now remains for this Government to account to the Government of New Zealand for the postage received in this Colony on correspondence forwarded by the Californian route, and a bank draft for the sum of £85 16s. 6d. is accordingly enclosed, this being the amount collected by the Post Office Department on this account, as shown by the accompanying statement.

I take the opportunity, before closing this letter, to request that you will have the goodness to direct that in future all correspondence from your Colony for this Government shall be addressed to the Chief Secretary, Victoria.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,
JAMES McCULLOCH.

Enclosure in No. 31.

STATEMENT showing the Amount due to the Government of New Zealand on account of Postages collected on Correspondence despatched and received by the Mail Contract Steamers running between Sydney and San Francisco, from 19th March to 12th August, 1870.

Outwards.

MAILS.	HONOLULU.	CALIFORNIA.	UNITED KINGDOM.	TOTAL NUMBER OF LETTERS.	AMOUNT.
	Number of Letters.	Number of Letters.	Number of Letters.		
March	25	214	106	345	£ s. d. 17 5 0
April	7	138	5	150	7 10 0
May	9	253	61	323	16 3 0
June	7	238	98	343	17 3 0
July	18	309	102	429	21 9 0
					79 10 0

Inwards.

July	50	373	101	524	26 4 0
					26 4 0

Recapitulation.

Amount received, Mails Outwards	...	...	...	...	...	£ s. d. 79 10 0
„ „ Inwards	...	...	...	...	...	26 4 0
						£105 14 0
Deduct threepence per letter on 1,590 letters outwards, being for Victorian inland rate, and gratuity paid to Masters of vessels conveying mails to Sydney	...	...	...	...	...	19 17 6
Amount due to New Zealand	...	...	...	...	...	£85 16 6

I certify the above account to be correct, } W. TURNER,
according to the records of this office. } Deputy Postmaster-General.
General Post Office, Melbourne.

No. 32.

The Hon. J. VOGEL to the CHIEF SECRETARY, Victoria.

SIR,—

General Government Offices, Auckland, 1st October, 1870.

I have the honor, on behalf of the Colonial Secretary, to acknowledge the receipt of your letter of the 8th September, enclosing a bank draft for £85 16s. 6d., and stating that you rely upon the New Zealand Government causing to be duly forwarded all mails which, at the date of your letter, were in course of transit to or from Victoria by the San Francisco route.

In reply, I have the honor to inform you that the amount received will be placed to the credit of the Contractor.

I am happy to assure you that you may rely upon proper care being taken of all mails already in transit to or from Victoria by the San Francisco route, and upon their being duly forwarded to their destination.

I very much regret that you are unable to make the small contribution which has been asked from you to the San Francisco Service. Whilst I do not at all question the value of the Suez Mail Service, I am under the impression that you will find the service *via* San Francisco, even as an alternative route, irrespective of the advantages of communication with the United States and Canada, one well worth to the Colony of Victoria the exceedingly small contribution asked from it, viz. £6,000 a year.

Should you at any time have urgent need for the transmission of a special despatch to England *via* San Francisco, if you will send it under cover to the Colonial Secretary at Wellington, or the Agent of the General Government in Auckland, we will take care that it is duly forwarded.

Attention will be paid to your request that in future correspondence for your Colony may be addressed to the Chief Secretary, Victoria.

I have, &c.,

JULIUS VOGEL.

The Hon. the Chief Secretary, Victoria.

No. 33.

The Hon. W. GISBORNE to the Hon. the CHIEF SECRETARY, Victoria.

SIR,—

Colonial Secretary's Office, Wellington, 4th October, 1870.

I have the honor to acknowledge the receipt of your letter, No. 2,377, of the 8th ultimo, and to state that all Victorian mails now in course of transit by the San Francisco route will be duly forwarded on to Melbourne on their arrival in New Zealand.

I will attend to your request that letters to your Government shall be addressed to the Chief Secretary, at Melbourne.

I have to thank you for the draft, amounting to the sum of £85 16s. 6d., which was duly received with your letter.

I have, &c.,

W. GISBORNE.

The Hon. the Chief Secretary, Victoria.

No. 34.

Messrs. COLLIE, STEWART, and Co., to the Hon. J. VOGEL.

SIR,—

San Francisco, 12th September, 1870.

In consequence of assurance from the United States that a subsidy of three hundred thousand dollars will be granted, we contemplate establishing a line of steam ships to New Zealand or Australia.

The agent of the line, Mr. George Collie, has been instructed by this mail to contract with your Government for a regular monthly service to Auckland or Wellington from this port, providing your Government will guarantee a subsidy of £30,000 annually for ten years: the Contractor performing the service with ships capable of steaming 320 miles per day, and over 2,000 tons register, and the contract time to be the same as stipulated by the United States, say 250 miles per day,—the Contractor providing ample security for the faithful performance of the contract.

We have empowered Mr. William Gray to open Mr. Collie's letters enclosed to him, and act according to instructions therein, in the absence of Mr. Collie.

The "Nevada" will go into dock next week, be coaled, and made ready for sea, so that the line can be opened at once.

Messrs. Webb and Co. recently started a line of steamers from New York to Europe, and the "Guiding Star," the pioneer ship, sailed on the 22nd of August.

We are in position to arrange for the forwarding of the Colonial mails immediately upon the arrival of the steamer, and may add that specie will be carried through to Europe at the same rate as is at present charged by the Peninsular and Oriental Co., and the rate of passage will not exceed £80.

We have, &c.,

COLLIE, STEWART, AND Co.,

Agents for W. H. Webb and Co.

The Hon. J. Vogel, Postmaster-General, N.Z.

No. 35.

MEMORANDUM by the Hon. J. VOGEL for His Excellency the GOVERNOR.

THE Postmaster-General respectfully directs His Excellency's attention to the Parliamentary Papers relative to the San Francisco Mail Service, copies of which he has already received. His Excellency will see from those papers, that it is proposed by the Government to enter into a Convention with the United States for the carriage of mails between the two countries. A copy of the proposed Convention is sent herewith. The Postmaster-General believes that a not dissimilar Convention has already been entered into between the United States and the Colony of Hong Kong.

FURTHER PAPERS RELATIVE TO THE

The Postmaster-General also calls the attention of the Governor to the attached copy of "The New Zealand Post Office Act Amendment Act, 1870," No. 2, from which His Excellency will see that provision has been made to enable payment to be obtained for mails carried for other Colonies, by vessels under postal contract with the Government of New Zealand.

The Postmaster-General would be glad to learn that the Imperial Postal Authorities are inclined to take a more liberal view than that announced in reply to a previous application, of the assistance which they should render to the service to Great Britain *via* San Francisco, and which, it is hardly necessary to say, will be valuable to the United Kingdom as well as to the Colonies.

I have, &c.,

JULIUS VOGEL.

Auckland, 6th October, 1870.

No. 36.

The Hon. J. VOGEL to Mr. H. H. HALL.

SIR,—

General Government Offices, Auckland, N.Z., 7th October, 1870.

I have the honor to direct, in accordance with the 10th clause of the contract for the San Francisco Mail Service, that, until further notice, the boats shall leave San Francisco on the 15th of each month, instead of on the 10th.

I have, &c.,

JULIUS VOGEL,

Postmaster-General.

H. H. Hall, Esq., Auckland.

No. 37.

Mr. E. Fox to Messrs. HOLLADAY, BRENHAM, and Co.

GENTLEMEN,—

General Government Offices, Auckland, 7th October, 1870.

I have been directed by the Hon. Mr. Vogel to introduce to you Mr. John Grubb, who is acting as Mail Agent.

Mr. H. H. Hall writes you by this mail, as to altering the date of your boats leaving San Francisco from the 10th to the 15th of the month.

Mr. Vogel has instructed Mr. Grubb to telegraph to the Postmaster-General in London, as to the time of commencing the alteration. Will you, therefore, be so kind as to place Mr. Grubb in possession of all necessary information on the subject?

I have, &c.,

E. Fox.

Messrs. Holladay, Brenham, and Co., San Francisco.

No. 38.

The Hon. J. VOGEL to the Right Hon. the POSTMASTER-GENERAL, London.

(Telegram.) From Postmaster-General, New Zealand, to Postmaster-General, London.

It is contemplated to alter the time of departure of the contract steamers from San Francisco from the 10th to the 15th. The Mail Agent, Mr. John Grubb, will advise you by telegram from San Francisco; and if he advises alteration, you will be so kind as to accept his telegram as authoritative.

JULIUS VOGEL,

Postmaster-General.

Auckland, 7th October, 1870.

No. 39.

The POSTMASTER, San Francisco, to the Hon. J. VOGEL.

SIR,—

Post Office, San Francisco, 10th October, 1870.

In accordance with instructions contained in the enclosed telegram from Hon. Jos. H. Blackfan, Superintendent of Foreign Mails, I have the honor to herewith transmit the same to you.

Allow me, Sir, to congratulate you, as well as the people of your Colony, upon the establishment of a mail service between our respective Governments.

I have, &c.,

N. B. STONE,

Postmaster.

The Hon. J. Vogel, Postmaster-General,
Wellington, N.Z.

Enclosure in No. 39.

(Telegram.)

Washington, D. C., 7th October, 1870.

POSTAL Convention with New Zealand executed to-day; take effect 1st December. Forward this Despatch under cover to Postmaster-General of New Zealand.

JOSEPH H. BLACKFAN,

Superintendent, Foreign Mails.

To N. B. Stone, Postmaster.

No. 40.

Mr. H. H. HALL to the Hon. J. VOGEL.

Auckland, 12th October, 1870.

I HEREBY agree that any payments which you have made to me, or which you have authorized to be made to me or on my account, in Sydney or elsewhere, or which you may authorize to be made to me or on my account, shall not be a bar to your recovering from me any penalties which you may elect to recover from me, on account of breaches of my contract with the New Zealand Government, under the terms of the said contract.

The Hon. the Postmaster-General, New Zealand.

H. H. HALL.

No. 41.

Mr. H. H. HALL to the Hon. J. VOGEL.

SIR,—

Auckland, 14th October, 1870.

As it is possible you may not be able to complete the arrangements you contemplate, for an alteration of the Californian Mail Service, in time to enable the altered service to be commenced at the conclusion of my twelve months' contract, I hereby undertake to continue my service for as many months as you may request me to do so, upon the same terms as at present, provided that such request be forwarded to me not later than by the steamer leaving Auckland for Sydney in January next.

I have, &c.,

The Hon. the Postmaster-General, New Zealand.

H. H. HALL.

No. 42.

MEMORANDUM by the Hon. J. VOGEL for His Excellency the GOVERNOR.

Auckland, 22nd October, 1870.

A COMMUNICATION is being addressed to the Governor of New Caledonia, inquiring whether the local Government are willing to make arrangements for connecting that settlement with the mail service between Auckland and Europe, *via* San Francisco and New York.

His Excellency is aware that that service has been in operation for some months; and that the Government contemplate to very much improve it, and to make it permanent.

It is probable that the local Government of New Caledonia, if able to enter into any arrangement such as that suggested, could only do so temporarily. Therefore the Postmaster-General desires to move His Excellency to cause, through the Colonial Office, inquiries to be made of the French Government, whether they are prepared to take steps for bringing New Caledonia permanently into connection with the Californian Mail Service.

A steamer should leave Auckland for New Caledonia and Fiji immediately after the arrival of the mail boat from San Francisco; and should return from Fiji and New Caledonia in time to connect with the steamer which leaves Auckland with the mails for the United States and Europe.

The Postmaster-General is of opinion that, if arrangements for subsidizing a steamer to run between Auckland, New Caledonia, and Fiji, were made, the contribution required for conveying the New Caledonian mails to and from Auckland and San Francisco, would be very moderate in amount.

The Postmaster-General suggests that the French Government should be asked to state what sum they would give for the through service, leaving it to the New Zealand Government to arrange for the branch service,—the balance of the amount paid by the French Government to be regarded as a contribution to the main line.

JULIUS VOGEL.

No. 43.

The Hon. J. VOGEL to His Excellency the GOVERNOR, New Caledonia.

SIR,—

Offices of the Colonial Government, Auckland, N.Z., 24th October, 1870.

The Colonial Government of New Zealand have recently established a mail service between Auckland and San Francisco, with a view to direct communication with Europe, by means of the trans-continental railways to New York. The service has hitherto worked satisfactorily, considering the novelty of the circumstances, and the difficulties attendant upon some of its details. It is now contemplated by the Government to effect greatly improved and permanent arrangements.

It appears to me that New Caledonia would be much benefited by being brought into direct connection with this Californian Mail Service. What would be needed to secure such connection would be, that a steamer should run between Fiji, New Caledonia, and Auckland, arriving at Auckland before the departure of the boat for San Francisco, and starting again for New Caledonia and Fiji, immediately after the arrival of the boat from San Francisco. I think that a large subsidy would not be required to secure the efficient performance of that service; and if arrangements for such a steamer were made, only a moderate contribution would be asked for the conveyance of the New Caledonia mails to and from San Francisco.

I shall be glad to be informed whether you are in a position to entertain the question of assisting to establish such a branch service as I have indicated; and if so, what arrangements, generally, you would be prepared to make.

His Excellency M. Ruillier,
Governor, New Caledonia.

I have, &c.,

JULIUS VOGEL,
Postmaster-General.

No. 44.

MEMORANDUM by the Hon. J. VOGEL for His Excellency the GOVERNOR.

Auckland, 22nd October, 1870.

IN view of the Postmaster-General or some other member of the New Zealand Government visiting Washington in January next, with the object of making arrangements connected with the Mail Service between New Zealand and Europe *via* San Francisco and New York, and for other purposes, will His Excellency be pleased, through the Colonial Office, to move the Foreign Office to request the British Minister at Washington to extend his good offices to the Representative of the New Zealand Government?

Advice of such instructions having been given should be addressed to "The Postmaster-General, New Zealand, care of the British Embassy, Washington," and a duplicate should be addressed to the care of the Bank of California, San Francisco.

JULIUS VOGEL,
Postmaster-General.

FURTHER PAPERS RELATIVE TO THE

No. 45.

Mr. F. PHILLIPS to the Hon. J. VOGEL.

SIR,—

Australasian Steam Navigation Company, Sydney, 29th October, 1870.

Understanding from Mr. H. H. Hall that his mail contract with your Government has been extended for a further period of four years, I do myself the honor, under instructions from my Directors, to request you to be so good as to extend the guarantee to this Company, in respect to the payment of subsidy money, for a like period, or for such time as this Company's boats may be employed in the service.

My Directors would feel much obliged by your acceding to this, as they are unable to put the guarantee—through your agents Messrs. Roxburgh, Slade, and Spain—on such a satisfactory footing in regard to time as could be desired.

My Board also desire me to point out that payment of the subsidy money is now being made by the Oriental Bank to the Company on the 7th of each month. For instance, a payment should, if our reading be correct, be due on the 23rd October, and not on the 7th proximo, the date at which the Bank propose to pay it; and it appears to them that the intention of the guarantee received from you under date of 11th January last, was that the payment should be made on the sailing of the first ship from Sydney, which was the 24th March, and thereafter one month from that date, which would make the successive payments to be due on the 23rd of each month; and my Board would be glad to know whether your interpretation of that portion of the guarantee corresponds with theirs. Should it do so, they would thank you to instruct the Oriental Bank accordingly.

I have, &c.,

F. H. A. PHILLIPS,

Secretary.

The Hon. the Postmaster-General, Wellington, N.Z.

No. 46.

The Hon. J. VOGEL to Mr. F. PHILLIPS.

Auckland, 25th November, 1870.

SIR,—

I have the honor to acknowledge your letter of the 29th October, in which you say that your Company understand from Mr. H. H. Hall that his mail contract with the New Zealand Government "has been extended for a further period of four years."

I beg to inform you that there has been no such extension, and that Mr. Hall's contract will terminate with the completion of twelve services,—in other words, that the vessel to leave Auckland on 7th March, 1871, will be the last which will be run in connection with Mr. Hall's contract.

As to the date of payment of money under the guarantee, I do not understand upon what you rest your claim for a change. The guarantee to your Company was to pay to it £500 on the starting of the first vessel under Mr. Hall's contract, and £1,000 a month subsequently. So long as your Company receives one payment in each month, I cannot realize that the date of that payment is of material importance.

I am instructing Messrs. Roxburgh, Slade, and Spain to make all necessary arrangements concerning the guarantee with you, and I feel sure you will have no difficulty in mutually agreeing on the matter.

I take the opportunity of thanking you, on behalf of the Government of New Zealand, for the readiness which you have shown to aid in carrying on the service.

I have, &c.,

JULIUS VOGEL,

Postmaster-General.

F. Phillips, Esq., Secretary, A.S.N. Co., Sydney.

No. 47.

Mr. H. H. HALL to the Hon. J. VOGEL.

U.S. Consulate, Grafton Wharf,

Sydney, 31st October, 1870.

SIR,—

Since my interview with you at Auckland on the 7th instant, I have made up my mind to accompany you, if you desire it, as far as San Francisco,—for the purpose of carrying out the contemplated arrangements alluded to by you at said interview. You will therefore be good enough to inform me what time you purpose leaving for San Francisco. If you proceed by the Suez route, I shall be glad to be informed when I am to meet you at San Francisco.

I have, &c.,

H. H. HALL,

Per WM. BUYERS.

The Hon. Julius Vogel, Postmaster-General, N.Z.

No. 48.

The Hon. J. VOGEL to Mr. H. H. HALL.

Auckland, 25th November, 1870.

SIR,—

I have the honor to acknowledge the receipt of your letter of 31st October, in which you inquire when I am going to San Francisco; and inform me that you have made up your mind to accompany me, if I desire that you should do so. In reply, I have the honor to state that I shall probably leave for San Francisco in January; but that I do not think any purpose will be served by your accompanying me, because I have made arrangements with Messrs. Holladay and Brenham, who now represent also Mr. Webb's interests, to carry on a service between New Zealand and San Francisco, in continuation of your service.

When you were in Auckland you were good enough to give me a letter, dated 14th October, in which you stated that you would be willing, after the conclusion of your twelve months' contract, to

No. 6 of San
Francisco Papers,
1870., E., No. 4.

No. 45 of this
series.

No. 47 of this
series.

No. 41 of this
series.

continue your service for as many months as I might request you to do so, pending the completion of permanent arrangements. With reference to that letter, I desire now to inform you that it will not be necessary for me to make such a request as that with which you kindly promised to comply; and that I shall be content that the last boat under the terms of your contract should be the one to leave Auckland on the 7th March, 1871, the departure of which will complete your twelve services.

I hope that you have obtained from the New South Wales Government the subsidy which it was agreed that Government should pay to you. I shall be most happy to do anything reasonably within my power to aid you in procuring payment, if it has not yet been made.

If there are any other matters connected with your contract as to which you desire to see the Government, it would perhaps be well that you should come to New Zealand for the purpose; and, generally, I may say that the Government desire to consult your convenience as far as they can reasonably be expected to do so.

I am glad to have learned from the gentleman with whom I have negotiated the arrangement for a new service, that it is proposed to appoint you agent in Australia for the Contractors. I have no doubt that such an agency will be more profitable to you than would any extension of your contract, compelled as you would have been to seek for vessels to compete with those of so powerful a company as that which has been formed by the association of Mr. Webb with Messrs. Holladay and Brenham.

I have, &c.,

JULIUS VOGEL,
Postmaster-General.

H. H. Hall, Esq., Sydney.

No. 49.

Mr. GEORGE COLLIE to the Hon. J. VOGEL.

SIR,—

Auckland, 7th November, 1870.

Referring to our several conversations on the subject of your Government employing a line of American steamers, the property of W. H. Webb, Esq., of New York, and his associates, to run between the Australasian Colonies and San Francisco, and more especially to a letter written to you by my partner Mr. James Stewart, of San Francisco, I beg to say that in consequence of the discrepancy between that letter and one addressed to myself by Mr. Webb, copy of which I had the honor to show you, I have determined to proceed to San Francisco by the "City of Melbourne," to leave this evening, with the object of having this and other matters explained in a personal interview with Mr. Webb, which cannot be so satisfactorily entered upon in the compass of a letter.

No. 43 of this series.

The late vote of £40,000 by your Legislature for a line of steamers between San Francisco and New Zealand, calling at Auckland, Wellington, and Lyttelton, with Port Chalmers as the terminus, being opposed to Mr. Webb's views of the service required, I would propose in meantime to open the line some time in next February or March with first-class steamers, making the port of call or terminus, as the case may be, at a good and safe port north of Cook Straits, with the privilege of extending the line to Sydney on that Government paying a subsidy equivalent to the service to be performed—for which service, on behalf of Mr. Webb, I name the sum of £60,000. To initiate the service at the time referred to above, I should expect from your Government the sum of £30,000 per annum and a guarantee for £10,000 per annum from the Government of New South Wales, to be supplemented by a further sum, equivalent in all to £60,000 per annum, for the line to be extended to Sydney.

The negotiation with Sydney for the share of the subsidy of that Government I should be pleased to intrust to your able management.

I have, &c.,

GEO. COLLIE.

Hon. J. Vogel, Treasurer and Postmaster-General.

No. 50.

The Hon. J. VOGEL to Mr. GEORGE COLLIE.

SIR,—

General Government Offices, Auckland, N.Z., 7th November, 1870.

I have the honor to acknowledge the receipt of your letter of this day's date, and in reference thereto, and to conversations I have had with you, I have no objection to comply with your desire that I should state in writing, so that you may be enabled to show it to Mr. Webb, that I was prepared to enter into negotiations with you, having for their object to carry out the wishes of the General Assembly with respect to the Californian Mail Service.

No. 49 of this series.

I may say that I was quite disposed to negotiate with you, in the desire to effect such an arrangement as might be satisfactory to Mr. Webb, and which would conform, as nearly as possible, to the views of the Assembly.

But the moment details were spoken of, it became evident to me that you had not power to conclude an arrangement which would have been satisfactory to us, although there was reason to suppose that the difficulties between us might have been overcome had you been able to communicate with your principal.

Under the circumstances, it became clear that the best course for you to pursue was to return at once to Mr. Webb, and to inform him that, by the January boat, I propose to visit San Francisco, for the purpose of negotiating with respect to the service, and that, during that visit, I shall be glad to meet him, and to entertain any proposal he may desire to make.

You are fully aware of my opinions as to what the service should be; and when I meet you in San Francisco, I shall be glad to find that, by discussion with Mr. Webb, you have placed yourselves in the position of being able to treat with the Government of New Zealand.

I have, &c.,

JULIUS VOGEL,
Postmaster-General.

George Collie, Esq., Auckland.

FURTHER PAPERS RELATIVE TO THE

No. 51.

The Hon. J. VOGEL to Mr. W. M. NEILSON.

Auckland, 22nd November, 1870.

SIR,—

I have the honor to state in writing the verbal agreement between us in respect to the course the New Zealand Government will consent to take in regard to letters written and papers printed in the United States, and carried by the Contractors to Colonies which do not contribute towards the mail subsidies.

As long as there is a Postal Convention between the United States and New Zealand, the Government of New Zealand reserve to themselves the right to use all the power such Convention recognizes or confers; but should there cease to be such Convention, and if, when no such Convention exists, the Contractors should find it to be necessary, under instructions from the Government of the United States, to carry letters written by persons resident in, or newspapers printed in the United States, addressed to residents in any Colony which does not contribute towards the subsidy paid by New Zealand for the mail service to and from San Francisco, the Government of New Zealand will not send back such letters or newspapers; but, in allowing them to be forwarded, the Government reserve to themselves the right to impose a reasonable extra rate of postage on each of such letters and newspapers.

W. M. Neilson, Esq.

I have, &c.,

JULIUS VOGEL.

No. 52.

The Hon. J. VOGEL to the MINISTER of the INTERIOR, Hawaii.

Auckland, 22nd November, 1870.

SIR,—

I take the earliest opportunity of informing you that I have entered into an arrangement with Mr. Neilson, representing Messrs. Holladay, Brenham, and Co., and Mr. Webb conjointly, for putting upon a permanent footing the service which has already been begun, under Mr. H. H. Hall's auspices, between New Zealand and San Francisco.

As it was impossible for me to wait, in order to secure your co-operation in the matter, I was not in a position to make any terms with Mr. Neilson as to your Government contributing towards the subsidy, and I had no alternative but to allow it to remain an open question whether the vessels of his principals should call at Honolulu.

Let me at the same time assure you that the Government of New Zealand are anxious to maintain the direct communication with Hawaii which has been commenced, and which they do not doubt will lead to extensive commercial relations between the two countries.

The Minister of the Interior,
Hawaii, Honolulu.

I have, &c.,

JULIUS VOGEL,

Postmaster-General.

No. 53.

Mr. W. M. NEILSON to the Hon. J. VOGEL.

Auckland, 25th November, 1870.

MY DEAR SIR,—

Would you be kind enough, in order that I may complete the Postal correspondence now in my possession, to give me a copy of Mr. Wm. H. Webb's last letter, in reference to running his vessels to Auckland, and so oblige

The Hon. the Postmaster-General,
New Zealand.

Yours very sincerely,

WM. N. NEILSON.

No. 54.

The Hon. J. VOGEL to Messrs. ROXBURGH, SLADE, and SPAIN, Sydney.

Auckland, 25th November, 1870.

GENTLEMEN,—

I have the honor to enclose to you copies of letters which I have this day addressed—one to the Australasian Steam Navigation Company, the other to Mr. H. H. Hall.

While giving effect to those letters, I shall be glad if you will do anything which will oblige the Company or Mr. Hall, subject, of course, to the recognition of the fact that the guarantee ceases with the payment for the boat to leave Auckland on the 7th March, 1871.

Should you, however, find it necessary, in order to secure the starting of a boat monthly, up to and including March next, to guarantee for the March boat a payment on its return in April, I should be willing that you should give such a guarantee, although it would probably involve an over-payment to Mr. Hall on his contract.

In short, I confide in your discretion in dealing with the whole matter. You must bear in mind that it is exceedingly important the boats should start up to and including March. I should explain that when I speak of the March boat, I allude to the one which leaves here on the 7th March, and Sydney on last day of February.

I have, &c.,

JULIUS VOGEL,

Postmaster-General.

Messrs. Roxburgh, Slade, and Spain, Sydney.

No. 55.

MEMORANDUM by the Hon. J. VOGEL.

THE Postmaster-General records with much gratification that after considerable difficulty and protracted negotiation, he has succeeded in arranging the terms of a new contract for a mail service

between New Zealand and San Francisco with Mr. W. Neilson, the confidential representative of the North Pacific Transportation Company (Messrs Holladay and Brenham, of San Francisco), between which Company and Mr. Webb, of New York, there has been an amalgamation of interests, and an arrangement entered into by which Mr. Webb's ships are to perform the service. The following is an outline of the arrangement entered into:—

The Contractors are to establish a line of mail steamers under the style and title of "The United States, New Zealand, and Australian Line." The steamers to be employed are the "Nevada," the "Nebraska," and the "Dacotah," with the proviso that the "Moses Taylor" may be temporarily used in the event of accident to any one of the three first vessels named; and further, that should any of the three vessels become unserviceable, others are to be substituted, to be approved by the Postmaster-General. The contract vessels are to be in every respect first-class mail and passenger steamers, and to be maintained as such. The contract is to be for ten years, subject to the condition that, within six months from the arrival of the first boat at Wellington (say about the beginning of September), the Assembly may decide that the duration of the contract shall be for three years only. But the Government are to use their best endeavours to secure that the ten years' period be accepted by the Assembly. The service first commenced is to be a temporary one, and in the contract it is described as "Line No. 1." Three alternative lines are provided for, one of which will have to be finally adopted under conditions set forth in the contract, and which the Postmaster-General proposes now to indicate. To all the four lines one feature is common, that the main boat runs from San Francisco to Port Chalmers, calling at Auckland, Wellington, and Lyttelton. Line No. 1—A steamer to leave San Francisco once in every calendar month, commencing on the 16th February next, and to proceed to Port Chalmers, calling at Auckland, Wellington, and Lyttelton, and to return from Port Chalmers to San Francisco once in every calendar month, calling at Lyttelton, Wellington, and Auckland. Between San Francisco and Auckland two ports may be visited, those ports to be selected by Mr. Neilson, but to be within the Hawaiian, Society, Navigator, or Fijian groups. The ports so selected are to be visited for coaling purposes only, and there is an express prohibition against any connection being effected between either of the coaling ports and any port in New Caledonia or in Australia. For this line, the payment is to be £40,000 for twelve complete services, and any subsidies received from Australia or New Caledonia are to be equally divided between the New Zealand Government and the Contractors.

Within six months of the date of the arrival at Wellington of the first contract vessel, the Postmaster-General may give to the Contractors notice that he adopts, as the alternative of the initiatory line (No. 1), the line described in the contract as line No. 2. This line is for a service precisely as described under the heading "Line No. 1;" but thirteen complete services are to be performed within the year, instead of twelve, and the Contractors are to establish a branch steamer between Auckland and Sydney, and any other branches they please from New Zealand ports, but they are not to be at liberty to run any branch steamers except from New Zealand ports. For line No. 2 the payment is to be £60,000 for thirteen complete services, including the branch line; and all subsidies received, whether from the Australian Colonies or from New Caledonia, are to belong wholly to the New Zealand Government. If within six months of the arrival of the first contract boat at Wellington, the Postmaster-General does not give notice to adopt line No. 2, the Contractors may elect to carry out line No. 3 or line No. 4.

Line No. 3 is similar to line No. 1, only that the Contractors are to receive the subsidies from the other Colonies less 10 per cent. to be paid to the New Zealand Government. They are to be at liberty to establish branches to any Australian Colonies or to New Caledonia from New Zealand, but they are not to run any branch boats except from New Zealand ports. The payment for line No. 3 is to be £40,000, the Contractors receiving all subsidies paid by other Colonies, and retaining the amount less 10 per cent., which they are to pay to the New Zealand Government.

Line No. 4 is same as the others in regard to the main boats running to Auckland, Wellington, Lyttelton, and Port Chalmers; but the Contractors are to be at liberty to run branches from the Fiji Islands to Australia, and to make such arrangements as they please respecting subsidies from Colonies other than New Zealand. The payment for this line to be £30,000 per annum.

Time.—In each of the four cases described, the contract time between San Francisco and Auckland is to be twenty-four days, and the Contractors are to use all diligence to perform the distance between Auckland and Port Chalmers within 100 hours, subject to a penalty of £2 per hour for unnecessary delay. If the Government adopt line No. 2, the contract time between San Francisco and Sydney is to be thirty days; if the contract time is exceeded the Contractors are to pay a penalty of £2 per hour for such excess, unless a reasonable cause can be shown for it, and they are to receive a bonus of £2 for each hour less than contract time within which any service is performed between San Francisco and Auckland, or San Francisco and Sydney. The Postmaster-General is to have power to make and to vary time tables. The vessels may be detained twenty-four hours in New Zealand and twenty-four hours in Sydney. They may also be detained forty-eight hours in San Francisco, whenever it may be necessary so long to wait the arrival there of the mails from Europe. The contract vessels are to be exempt from all port, light, or wharfage dues or charges in New Zealand. On board each vessel, first-cabin passages are to be provided without charge for a Mail Agent and his assistant. The Contractors are to enter into bonds to the amount of £25,000 for the due performance of their contract. The Contractors agree, subject to a penalty of £1,000 per annum, to procure from the United States an exemption from all the charges for mails between San Francisco and London, and between New York and San Francisco, which are now imposed under the Convention between the United States and Great Britain. The Contractors also agree to use their best endeavours to secure a concession under which wool, the produce of any Colony contributing to the mail subsidy, and the fibre of the *Phormium tenax* produced in New Zealand, shall be admitted into the United States duty free.

These are the principal features of the contract. Some details still have to be settled between the Contractors and the Postmaster-General. Until it is known what the United States Government may decide to do in respect to some of the open questions, it may not be desirable that specific offers should be made to the Australian Colonies. The contract contains ample provision for securing payment of

subsidies from other Colonies. It may be observed that the Post Office Act No. 2, passed last Session, and the terms of the Convention proposed to the United States (which Mr. Neilson announces that the authorities of that country have agreed to), have been singularly useful in smoothing over one of the most difficult features of the contract—that of dealing with non-subsidizing Colonies. The Postmaster-General, in accordance with the resolutions of the Assembly, made it a condition in every case that the main-line steamers should come on to New Zealand, and should call at Auckland, Wellington, Lyttelton, and Port Chalmers. There was great difficulty in procuring the consent of the Contractors' representative to the main-line boats visiting so many New Zealand ports. And the arrangement in respect to time between Auckland and Port Chalmers, with penalty for delay, is the very best that the Postmaster-General could succeed in effecting. The representative of the Contractors declined to make any arrangement as to Napier, and whether the contract vessels will call at that port must depend upon future negotiations. Every one of the lines will substantially comply with the conditions laid down by the Assembly, in the resolutions of last Session; but line No. 4, in permitting the diversion of the Australian traffic at the Fijis, will be least in accordance with the spirit of the resolutions. Unfortunately it may be taken for granted, that if the Colony does not adopt line No. 2, the Contractors will adopt line No. 4. They would by it, in all probability, obtain much larger subsidies from the Australian Colonies than by the New Zealand route. In the case of the other lines, if the vessels call at the Fijis, they are to do so for coaling purposes only. The main steamer is to proceed to New Zealand, and no branches are to be run except from New Zealand ports. A subsidy of £60,000 may seem to be a large one, and especially so as compared with the amount indicated in the resolutions of the Assembly.

Care has therefore been taken to give the Assembly time to decide whether the Colony shall adopt line No. 2 or leave the Contractors their choice between line No. 3 and line No. 4. But as the point is certain to be immediately discussed, the Postmaster-General takes the opportunity of remarking upon it, without, however, committing himself to a conclusion as to which choice will be recommended to the Assembly. Line No. 2 is in effect not widely different from the service contemplated by the resolutions. It is true that the amount named in the resolutions is £40,000, and that the Assembly understood that subsidies from other Colonies would go in reduction of that sum. But it must be remembered that for the £60,000 thirteen complete services a year will be secured, and also a branch line to Sydney, while the line for which the Assembly approved of paying £40,000 would have been merely a line to New Zealand. The Australian Colonies would have had to arrange for branch services, and would have contributed to the line only as far as New Zealand. Under line No. 2 the Colony will be able to offer to lay down the mails in Sydney. If line No. 2 is adopted, the £60,000 a year will be reduced by the amount of all subsidies received from Australian Colonies, and if the concession as regards the Convention between the United States and Great Britain be secured (the Contractors binding themselves in a penalty of £1,000 a year to obtain it), the postages in England and in Australia would alone amount to a very handsome contribution from the Australian Colonies for the carriage of their mails. In any case the Australian Colonies should unitedly pay not less than from £25,000 to £30,000 a year, and, supposing the concession above mentioned to be secured, New Zealand would save a very large sum per annum in regard to her own mails; for the Imperial Government would hand over to the Colony the postages collected on the other side, but which are now detained to defray the charges payable by Great Britain to the United States under the Convention. It must be added that the adoption of line No. 2, by placing the whole service in the hands of New Zealand, would secure that the traffic between Great Britain and the United States on the one hand, and the Australian Colonies on the other, should permanently pass through New Zealand, instead of passing by it, as would be the case were the Contractors enabled to adopt line No. 4, and so to run branch boats from Fiji to Australia. Still further, if the Colony should adopt line No. 2, not only will it include connection with Sydney from Auckland, but by lines of steamers already existing there would practically be direct communication between Melbourne and the main line at Dunedin, Lyttelton, and Wellington. The Postmaster-General believes that the contract times are such that it would be impossible for the Australian Colonies not to come in and contribute fairly in reduction of the £60,000 subsidy. The Contractors have assisted in maturing arrangements by which the journey between San Francisco and New York, and from New York to San Francisco, will be performed in five days instead of seven, and a steamer is always to be ready at New York to start with the mails for England as soon as they arrive. The transit from San Francisco to London will thus be effected in fifteen days, while from Sydney to San Francisco the time will be thirty days. Thus mails from London to Sydney, or from Sydney to London, would be delivered in forty-five days, and mails to or from Melbourne would be received and delivered in forty-seven days. Those times, indeed, would probably be materially reduced, for the Contractors state that they would be able to save two days should it be worth their while to do so.

Supposing New Zealand adopts line No. 2, the Government would be able to choose under the thirteen-service condition, either Sydney or Melbourne as the port at which to make the times correspond with those of the boats of the P. and O. Company; or the Government would be able to give to either Sydney or Melbourne an absolute fortnightly service to England. Whichever of those courses might be adopted, it is impossible to avoid the conclusion that there would be a mail service to which public opinion in the Australian Colonies would demand that contribution should be made, whilst it is also impossible not to conclude that as a passenger route the service would be unequalled. There are many other considerations to be taken into account in choosing between the services. Line No. 2 with contributions from the other Colonies, and with the English postages which would be sent free by the United States foregoing the transit charges, should not cost much, if any, more than £25,000, whilst under similar circumstances line No. 4 would cost about the same amount, with far less advantages. Line No. 3, with nearly equal advantages, would cost about the same, but with less risk of costing more through the other Colonies not contributing. But the Contractors have the option, if line No. 2 is not adopted, of choosing between line No. 3 and line No. 4, so that No. 3 cannot be counted on. It will be for the Assembly to decide whether line No. 2 involves so much risk as to make it desirable to be prepared for the substitution of line No. 4, which, after all, would be a very good

service. It, or any of the other lines, would give New Zealand a service which would cost much less than the Panama Service or than the Suez Service (with Intercolonial and Interprovincial distributing boats) has cost, whilst, as compared with either, it would confer immeasurably greater advantages, direct and indirect. The Contractors propose to charge £85 for the through passage to England, including railway fare across the American Continent, and to leave to each passenger the option of proceeding direct, or of delaying at different places as long as may be desired. The Postmaster-General is informed, although it is not a condition of the contract, that a uniform rate to England is to be charged from all parts of New Zealand.

Should effect be given to the provision for the admission, duty free, into the United States of New Zealand flax and of wool the produce of New Zealand, or, of any Colony contributing towards the service, another inducement to the Australian Colonies to contribute will be supplied. It can scarcely be doubted that the establishment of the line will lead to the development of the New Zealand coal fields, in which case it would be no exaggeration to regard the subsidy as being more than recouped to the Colony by the money payments for its coal, and by the employment to labour and capital which would be afforded. The time table fixed for the commencement of the service is as follows:—To leave Port Chalmers, Sydney (if required), and London on the 1st of each month; Auckland on the 7th; and San Francisco on the 16th. This will enable letters despatched from London on the 1st of the month to be delivered in Port Chalmers on the 15th, and in Sydney on the 16th, of the following month. There will be about a fortnight for answering; and replies leaving Port Chalmers or Sydney on the 1st will reach London on the 15th of the following month, thus giving a "course of post" of about 105 days, or three months and a half. The same will apply to answers to letters sent from Port Chalmers or Sydney; in the case of Wellington or Auckland the time here stated will be reduced by several days. In conclusion, the Postmaster-General would observe that the contract appears to be one of an eminently satisfactory nature. It will stand the test of meeting the requirements of the whole Colony as a first-class mail, passenger, and commercial service; and if tested as regards its effect upon the much-discussed separate interests of the different parts of the Colony, the conclusion must be that no service more likely to do justice to those interests could be obtained, even if one could be devised.

Auckland, 24th November, 1870.

JULIUS VOGEL.

The following description of the vessels to be employed is taken from the American "Lloyds" for 1870:—

NEBRASKA.—The steamship Nebraska, 2,143 tons register, built in 1865, under official supervision, specially surveyed, and classed as extra A1 in 1869, built of oak and hackmatack on iron frame; three decks and beams; 15 feet draft; half brig rig; dimensions, 370 feet length, breadth 39 feet, depth 26 feet; beam engines, 81-inch cylinder, stroke of piston 12 feet; double planked with four inch oak; made 15½ knots on her trial trip.

NEVADA.—The steamship Nevada was built at the same time as the Nebraska; her tonnage is the same, and she is in every respect a similar vessel, except that her cylinder is four inches larger.

DACOTAH.—The steamship Dacotah, 2,153 tons register, was built in 1865, and specially surveyed and classed in 1869 as extra A1. She is similar in every respect to the Nebraska. At present she is employed in the trade between New York and the West Indies.

MOSES TAYLOR.—The Moses Taylor is 1,354 tons register, was built in 1857, and was resurveyed and classed as extra A1 in 1869.

No. 56.

AUTHORITY TO ENTER INTO CONTRACT.

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETING:

WHEREAS, by an Act of the General Assembly of New Zealand, intituled "The New Zealand Post Office Act, 1858," it is enacted—"That it shall be lawful for the Postmaster-General, under such instructions as he shall from time to time receive from the Governor, to enter into any contract in writing from time to time on behalf of the Government of New Zealand, in the name of the Postmaster-General, for or in respect of the carriage or conveyance of mails by sea and by land, subject to such terms and conditions as he may think fit; and the Postmaster-General for the time being may sue or be sued on any such contract: Provided always, that no Postmaster-General shall be personally liable in respect of any such contract."

Now therefore, the Governor of New Zealand, in pursuance of the power and authority in him so vested, doth hereby authorize and instruct the Honorable Julius Vogel, the Postmaster-General of the Colony of New Zealand, to enter into a contract in writing, on behalf of the Government of New Zealand, for the carriage or conveyance of mails by sea, between San Francisco, in the United States of America, the Colony of New Zealand, and the Colonies of Australia, subject to such terms and conditions as he may think fit.

Given under the hand of 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 the Colony of New Zealand and its Dependencies, and Vice-Admiral of the same, at Government House, Auckland, this twenty-second day of November, in the year of our Lord one thousand eight hundred and seventy.

G. F. BOWEN.

No. 57.

CONTRACT.

THE UNITED STATES, NEW ZEALAND, AND AUSTRALIAN MAIL STEAM PACKET LINE.

MEMORANDUM of Agreement made this twenty-second day of November, one thousand eight hundred and seventy, between the Hon. Julius Vogel, the Postmaster-General of New Zealand, and a Member of the Executive Council of the Colony, acting on behalf of the Government of New Zealand, and hereinafter called the Postmaster-General, of the one part, and Holladay and Brenham, trading under the name of "The North Pacific Transportation Company" of San Francisco, in California, in the United States of America, Steam Packet Proprietors, hereinafter called the Contractors, for themselves, their heirs, executors, administrators, and assigns, of the other part: Witnesseth that each of the parties doth hereby severally contract, promise, and agree with and to the other party respectively, in manner following—that is to say:—

GENERAL PROVISIONS.

1. The Contractors shall and will establish a line of mail steam vessels, to be called the "United States, New Zealand, and Australian Mail Steam Packet Line," to run between the Port of San Francisco and New Zealand, to commence at San Francisco on the sixteenth day of February, one thousand eight hundred and seventy-one, and to continue for the term of ten years, provided that it shall be lawful for the Postmaster-General to determine this contract at the end of three years, if the General Assembly of New Zealand shall refuse to ratify the same for a longer time, and notice of such refusal shall have been given in writing to the Contractors, or left with their agent in Wellington, hereby authorized to receive the same, within six calendar months after the first steam vessel under this contract shall arrive at Wellington.

2. The Government of New Zealand shall and will use their best endeavours to obtain from the General Assembly a ratification of this contract for the full period of ten years.

3. The steam vessels to be employed under this contract shall be the "Nevada," the "Nebraska," the "Dacotah," and the "Moses Taylor," provided that the last named vessel shall be used only in cases of emergency—no other of the said vessels being available by reason of unavoidable accident; and if either of the said vessels shall be lost, or become unserviceable, another vessel, to be approved of in writing by the Postmaster-General, shall be substituted.

4. It shall be lawful for the Contractors to substitute other vessels for those named, provided that such substitution shall be previously assented to in writing by the Postmaster-General.

5. The steam vessels to be from time to time employed in the performance of this contract shall be always fitted out, furnished, and provided with every requisite for rendering them constantly efficient for the service in every particular as first-class mail and passenger steam vessels.

6. One of the vessels to be employed under this contract shall leave San Francisco once in every calendar month, or once in every twenty-eight days if required, as hereinafter provided, and shall proceed thence to Port Chalmers, by way of and calling at Auckland, Wellington, and Lyttelton, in New Zealand; and one of the said vessels shall leave Port Chalmers once in every calendar month, or once in every twenty-eight days if required, as hereinafter provided, and shall proceed thence to San Francisco by way of and calling at Lyttelton, Wellington, and Auckland.

7. The said steam vessels may call at two intermediate places, and no more, between Auckland and San Francisco, and between San Francisco and Auckland, and such two places may be at any of the Hawaiian, Society, Navigators, or Fijian Islands, as William Neilson, whose signature is hereto affixed as agent of the Contractors, shall think fit and appoint; and such ports, after being appointed, may be altered from time to time by the Contractor, with the consent of the Postmaster-General, but not otherwise.

8. The time (including stoppages) allowed for the voyage between San Francisco and Auckland, and Auckland and San Francisco, shall not exceed 576 hours; and the Contractors shall use all possible diligence and despatch to depart from Auckland, and thereafter to perform the voyage between Auckland and Port Chalmers within 100 hours, including stoppages, and shall forfeit the sum of £2 per hour for every hour's unnecessary delay.

No. 1 Line.

9. Until an alteration shall be made, as hereinafter provided, branch lines from the main line specified in clause 6 may be run by the Contractors from any ports in New Zealand to any of the Australian Colonies (Australia throughout this contract including Tasmania) and New Caledonia; but no steam vessel shall be run by the Contractors, or by any other persons with their consent or concurrence, to any of the Australian Colonies or to New Caledonia except from a port in New Zealand.

10. For the above-mentioned service the New Zealand Government shall pay the Contractors a sum after the rate of £40,000 for twelve complete voyages to and from New Zealand and San Francisco, and all mails that the Postmaster-General shall require to be carried during the continuance of this service shall be carried free of cost. It shall be lawful for the Postmaster-General, but not for the Contractors, to make any arrangements he may think fit with any of the Australian Governments and with the Government of New Caledonia, and all sums payable under such arrangements until this line be altered, as hereinafter provided, shall be equally divided between the Government of New Zealand and the Contractors.

No. 2 Line.

11. At any time within six calendar months after the first of the said steam vessels shall arrive at Wellington in pursuance of this contract, it shall be lawful for the Postmaster-General to require, by notice in writing, that thirteen voyages each way, as specified in clause 6, instead of twelve, shall be performed in every twelve calendar months; and in such case the Contractors shall, if required by the Postmaster-General, run in connection with the main line specified in clause 6 a branch steamer between Auckland and Sydney, New South Wales, for an equal number of voyages.

12. The branch steamer so to be employed shall be a first-class vessel, fitted out, furnished, and provided as specified in clause 5, of at least 1,000 tons register, British measurement; and the whole time, including stoppages, allowed for the voyage each way between San Francisco and Sydney shall not exceed 720 hours.

13. The Contractors shall be paid by the New Zealand Government for such altered service, inclusive of the branch service to Sydney, the sum of £60,000 for thirteen voyages.

14. In respect of such altered service all mails that the Postmaster-General shall require to be so carried during the continuance of this contract shall be carried free of cost, and it shall be lawful for the Postmaster-General to make any postal arrangements he may think fit with any of the Governments of Australia, and with the Government of New Caledonia, and to receive for the use of the Government of New Zealand any contribution that may be obtained towards the said subsidy of £60,000. Provided that the Contractors may run branch steam vessels to any of the ports in Australia, besides the Port of Sydney, and to New Caledonia, if they think fit, but they shall not be required to do so; and no steam vessel shall be run by the Contractors, or by any other persons with their consent or concurrence, to New Caledonia or to any of the Australian Colonies, except from a port in New Zealand, and no mails whatever shall be carried by any such steam vessel or branch steam vessel, except with the consent in writing of the Postmaster-General.

15. That the change above referred to in the original service shall be made within four months after the Postmaster-General shall have given a written notice requiring the same to an agent to be appointed by the Contractors to receive such notice at Wellington.

No. 3 Line.

16. If no such notice as referred to in clause 11 shall be given by the Postmaster-General, the Contractors shall continue the main line specified in clause 6, making twelve or thirteen voyages in twelve calendar months, as they think fit, for which they shall continue to receive the subsidy of £40,000 and no more, whether twelve or thirteen voyages be made; and they may run in connection therewith branch lines from any ports in New Zealand to any ports in Australia or New Caledonia, but shall not run any steam vessel to any port in Australia or New Caledonia from any port whatever except from a port in New Zealand.

17. The Contractors may, in respect of such branch lines, make such arrangements as they may think fit for the carriage of mails, and may receive for their own use any subsidies that may be granted for the same, subject to a payment thereout of 10 per cent. to the Government of New Zealand, but they shall carry all mails for the Government of New Zealand free of cost.

No. 4 Line.

18. If no such notice as referred to in clause 11 shall be given by the Postmaster-General, it shall be lawful for the Contractors, at any time within twelve calendar months after the time within which such notice might have been given, but not afterwards, by notice in writing to the Postmaster-General, to elect to run branch steam vessels from the Fiji Islands to Australia and New Caledonia. In such case they shall continue the main line specified in clause 6, making either twelve or thirteen voyages within twelve calendar months, as they may think fit.

19. If the Contractors elect to run a branch steam vessel, as provided by the last clause, from the Fiji Islands, the subsidy payable by the New Zealand Government for the main line shall be after the rate of £30,000 per annum and no more, whether twelve or thirteen voyages be made; and the Contractors may make such arrangements as they may think fit for the carriage of mails, and shall be entitled to receive for their own use any subsidy that may be granted by the Governments of Australia and New Caledonia for any branch lines, but they shall carry all mails for the New Zealand Government free of cost.

GENERAL CONDITIONS.

20. The days and hours of departure for the vessels employed under this contract shall be those specified in the annexed table: Provided that the Postmaster-General may from time to time alter such days and hours on giving reasonable notice to the Contractors of the required alteration; provided that no such alteration shall render necessary the employment of an additional steam vessel, and the altered days and hours shall be observed and kept as if the same had been provided for in this contract, and the Contractors shall pay the sum of £2 per hour for every hour's delay in the departure of any vessel after the specified time.

21. The Postmaster-General shall pay to the Contractors the sum of £2 per hour for every hour that any mail shall be ready for delivery in the Port of Auckland or San Francisco less than the contract time, and the Contractors shall pay to the Postmaster-General the sum of £2 per hour for every hour that shall be required for delivery of any mail in Auckland or San Francisco in excess of the contract time; but if good cause for any such excess be shown to the Postmaster-General, the payment in respect thereof may be remitted at his discretion.

22. If a branch steamer shall be run in pursuance of clause 11 to Sydney, it shall be lawful for the Postmaster-General to declare that, in addition to the provision made by clause 21 for the Ports of Auckland and San Francisco, a similar provision shall apply to the delivery of mails in the Ports of Sydney and San Francisco; and in such case this contract shall be read as though there had been inserted herein an additional clause in the same words as clause 21, substituting throughout the word "Sydney" for "Auckland."

23. All sums payable to the Contractors by way of subsidy shall be paid by monthly instalments immediately prior to the departure of each steam vessel, on her return voyage from Auckland to San Francisco, to an agent to be appointed by the Contractors to receive the same; and if default shall be made in payment of any such instalment at the appointed time, the Contractors shall be entitled to receive as liquidated damages the sum of £100, and an additional sum of £100 for every month during which such instalment shall remain unpaid.

24. All payments of premiums for the delivery of mails in less than the contract time, and of sums by way of penalty for delay in the delivery of mails, as for other breaches of this contract, shall be adjusted every twelve months, and the balance paid accordingly: Provided that all sums so payable to the Government of New Zealand may be deducted from any sum due to the Contractors by way of subsidy.

25. No mails whatever to or from any of the Colonies of Australia, or to or from New Caledonia, except as hereinbefore provided, shall be received on board or carried in any of the steam vessels employed under this contract without the written consent of the Postmaster-General; and for every breach of this stipulation with the consent or connivance or through the negligence of the Contractors, they shall forfeit the sum of £500 as liquidated damages, to be deducted from any sums then due or to become due by way of subsidy under this contract.

26. In pursuance of the Postal Convention existing between the United States Government and the Colonial Government of New Zealand, and in order to insure reasonable contributions from the Australian Colonies and New Caledonia for mail services to be performed for them, whether under the terms of this contract such contributions would be payable to the Government of New Zealand or the Contractors, neither the Postmaster-General nor the Contractors shall or will transmit or permit to be transmitted, and will use their best endeavours to prevent the transmission of all mails to or from any of the Australian Colonies, or to or from New Caledonia, unless such Colony or New Caledonia respectively shall give such a contribution as aforesaid; and in case of any wilful breach of this stipulation, the party breaking the same shall forfeit and pay to the other the sum of £500 as liquidated damages.

27. But in the event of either of the lines hereinbefore designated as No. 3 line and No. 4 line being brought into operation, the Postmaster-General hereby consents, and at the request of the Contractors will signify such consent to the Governments of Australia and New Caledonia, that mails from Australia and New Caledonia respectively may be transmitted through the United States of America.

28. The Contractors shall abide by and conform to any regulations that may be made jointly by the United States Post Office authorities and the Postmaster-General for the prevention of Colonies not contributing to the subsidies payable from participating indirectly in the advantages of the mail service established under this contract.

29. The term "all mails," throughout this contract, shall be taken to mean all letters, newspapers, books, printed papers, and other things usually transmitted by post, and the boxes, bags, and packages in which the same are enclosed, and also all empty boxes, bags, packages, and other stores and articles used in carrying on the Post Office service, which shall be sent to or from any Post Office, and no letters, newspapers, or printed papers other than books, shall be carried in any form or manner than as mails, without the consent of the Postmaster-General; but this shall not apply to printed papers the *bonâ fide* property of the Contractors published in the United States, nor to letters from the Contractors to their agents; and for every breach of this stipulation the Contractors shall pay the sum of £100, which may be deducted from any sum then or thereafter payable to them.

30. The Contractors shall provide to the satisfaction of the Postmaster-General, on board all steam vessels employed under this contract, proper, safe, and convenient places of deposit for the mails, with locks, keys, and secure fastenings.

31. The Contractors shall also provide to the satisfaction of the Postmaster-General, all necessary and suitable accommodation, including lights, for the purpose of sorting and making up the mails on board the several steam vessels employed under this contract, and on being required to do so by the Postmaster-General, shall or will, at their own cost, erect or set apart on each of the said vessels a separate and convenient room for such purposes. The Master or Commander of each of the said vessels shall also if required provide assistance for conveying the mail between the mail-room and the sorting-room.

32. If the Postmaster-General shall think fit to intrust the charge and custody of the mails to the Master or Commander of any vessel to be employed under this contract, and in all cases where the officer or other person appointed to have charge of the mails shall be absent to the knowledge of the Master or Commander of such vessel, such Master or Commander shall, without any charge other than that herein provided to be paid to the Contractors, take due care of, and the Contractors shall be responsible for the receipt, safe custody, and delivery of, the said mails.

33. The Contractors shall at their own expense deliver and take all mails to and from the Post Office in San Francisco, and the Postmaster-General shall cause all mails in New Zealand and Sydney to be delivered at or taken from the ship's side, and such delivery shall be taken within two hours after arrival at the appointed place of delivery.

34. The Contractors, and all Commanding and other Officers in charge of the vessels employed under this contract, 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 mails, subject to the special provisions herein contained, and so far as such orders and directions are reasonable and consistent with the safety of the vessel.

35. The Contractors shall have no claim to any postage, nor to any payment on account thereof, for mails carried under this contract, except as herein provided.

36. The Contractors shall provide suitable first-class accommodation for a mail officer or agent and one assistant on board each of the vessels employed under this contract, who shall be at liberty to use such accommodation as may be required for the performance of their duties; and such officer or agent and assistant shall be victualled by the Contractors as chief cabin passengers, without charge either for their passages or victualling.

37. Every such mail officer or agent and assistant shall be recognised and treated by the Contractors, their officers and agents, 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 contract: Provided that no such agent, officer, or assistant shall have power to control or interfere with any Commander or Officer in the performance of his duty; and every such agent, officer, and assistant shall be subject to all general

orders issued by the Master or Commander for the good order, health, and comfort of the passengers and crew.

38. If the Postmaster-General, or his officers or agents, shall at any time deem it requisite for the public service that any vessel should be detained beyond the appointed time of departure, it shall be lawful for the Postmaster-General, his officers or agents, to order such delay—not exceeding forty-eight hours at San Francisco, and not exceeding twenty-four hours at one port in New Zealand, and not exceeding twenty-four hours in Sydney—by letter addressed to and delivered to the Commander of the vessel, or the person acting as such, or left for him on board the vessel three hours at least before the hour appointed for departure. And in order to insure the due carrying of the mail from San Francisco, the Contractors, without any such notice, shall delay any vessel (if necessary) forty-eight hours, to await the arrival of the mail there from New York; and in every such case, the number of hours during which such vessel shall be so detained shall be added to the contract time.

39. The Contractors shall have power to assign this contract to a Company already or intended to be established by them, for the purpose of taking over and carrying out the same; but this contract, or any part thereof, shall not be otherwise assigned, underlet, or disposed of by the Contractors, or by the Company to whom the same may be assigned, without the consent in writing of the Postmaster-General first obtained for such purpose.

40. In case this contract is assigned, underlet, or disposed of otherwise than in accordance with the provision hereinbefore contained, or in case of any wilfully gross or habitual breach of the same, or any part thereof, or of any covenant, matter, or thing herein contained, committed by or on behalf of the Contractors, their agents or servants, and whether there be or be not any penalty or sum of money payable by the Contractors for any such 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 in New Zealand, to determine this contract on giving three months' previous notice of his intention to do so to the Contractors or their agents, and the Contractors shall not be entitled to any compensation in respect of such determination.

41. During the continuance of this contract, and so long as the same shall be faithfully carried out by the Contractors, no charge for pilotage, lighthouse dues, wharfage, harbour dues, or other dues, taxes, or imposts, shall be made at any port in New Zealand, for any of the steam vessels employed in carrying out this contract; and if the Postmaster-General shall require a branch mail steamer to be run from Auckland to Sydney, under clause 11 of this contract, and if the Contractors shall run a branch mail steam vessel from any port in New Zealand to New Caledonia, the New Zealand Government shall use their best endeavours to obtain for the Contractors similar exemptions at the Port of Sydney and at New Caledonia respectively.

42. If the Contractors shall refuse or wilfully neglect to commence the mail service provided by this contract, or having commenced the same shall refuse or wilfully neglect to carry on the same, they shall be liable to pay to the Postmaster-General, on behalf of the Government of New Zealand, the sum of £25,000 as liquidated damages.

43. The Contractors shall use their best endeavours to procure the mails carried under this contract to be taken from San Francisco to London, and from New York to San Francisco, free from charge, under the Postal Convention between Great Britain and the United States; and so long as this freedom of charge shall not exist, the Postmaster-General shall deduct from the payments to be made to the Contractors a sum at the rate of £1,000 per annum.

44. In order to encourage trade between the United States and the Australasian Colonies, the Contractors will use their best endeavours to obtain from the United States Government and Legislature a concession that *Phormium tenax* fibre the produce of New Zealand, and wool the produce of New Zealand and of any other of the Colonies that may make arrangements either with the Government of New Zealand or with the Contractors for the carriage of mails under this contract between San Francisco and Australia, shall be admitted duty free into the United States.

45. It shall be lawful for the Postmaster-General, by writing under his hand, at any time and from time to time, to delegate any of the powers vested in him by virtue of this contract to such person or persons as he may think fit.

46. The Contractors shall enter into a bond to the Postmaster-General, with two sufficient sureties to be approved of by him, in the penal sum of £25,000, conditioned for the due performance of this contract.

In witness whereof the said parties have hereunto set their hands and seals the day and year first above written.

Signed, sealed and delivered by the above-named Julius Vogel, } JULIUS VOGEL. (L.S.)
in the presence of

FRED. WHITAKER, Auckland, N.Z.
D. B. CRUICKSHANK, Auckland, N.Z.

Signed, sealed and delivered by the above-named William } HOLLADAY AND BRENHAM,
Neilson, for and on behalf and in the names of the above- } by their Agent (L.S.)
named Holladay and Brenham, in the presence of WILLIAM NEILSON.

FRED. WHITAKER, Auckland, N.Z.
D. B. CRUICKSHANK, Auckland, N.Z.

FURTHER PAPERS RELATIVE TO THE

TIME TABLE.

Time-table referred to in the above written contract for "The United States, New Zealand, and Australian Mail Steam Packet Line."

To leave SAN FRANCISCO on the 16th of every month, commencing on the 16th of February, 1871.

" PORT CHALMERS on the 1st of every month, commencing on the 1st of April, 1871.

" SYDNEY (if required) on the 1st of every month, to commence in a month to be hereafter fixed.

" AUCKLAND on the 7th of every month, commencing on the 7th of April, 1871.

The hours of departure to be fixed by the Contractors till the Postmaster-General shall otherwise direct.

No. 58.

The Hon. J. VOGEL to His Honor the SUPERINTENDENT, Wellington.

SIR,—

General Post Office, Wellington, 2nd December, 1870.

In arranging the terms for a new contract for the conveyance of mails *via* San Francisco, I found it necessary that I should engage to remit to the Contractors all charges for port, light, and wharfage dues in New Zealand.

The contract, as arranged, provides that the vessels of the Contractors shall call at Auckland, Wellington, Lyttelton, and Port Chalmers.

I have taken for granted that, under the circumstances, you will not raise objection to such remission of charges at the Port of Wellington; but I have now the honor to inform you that should you so object, the Government will be ready to make temporary arrangements for reimbursing to the Province the amount of the remitted charges.

When I undertook last year in making the contract with Mr. H. H. Hall, that the contract vessels should be exempt from port, light, and wharfage charges at the Port of Auckland, the Superintendent of that Province readily acquiesced.

I beg that your Honor will understand that, in giving an undertaking to remit charges some of which pass to the aid of Provincial revenue, I have not desired to assert any right of control on the part of the General Government as to those charges. It was convenient that an undertaking to remit the charges already specified should be included amongst the terms of the contract; leaving it to be decided whether the Provinces affected would consent to forego the amount, or whether the General Government could have to arrange to make an equivalent allowance in any case in which it might be claimed.

His Honor the Superintendent, Wellington.

I have, &c.,

JULIUS VOGEL.

Letters of even date and tenor to their Honors the Superintendents of Canterbury and Otago.

No. 59.

The Hon. W. GISBORNE to the Hon. the COLONIAL SECRETARY, New South Wales.

SIR,—

Colonial Secretary's Office, Wellington, 3rd December, 1870.

I have the honor to inform you that the Government of New Zealand has succeeded in making arrangements for placing the San Francisco Mail Service on a permanent basis; large boats, running at a high rate of speed, being employed.

The connection with New South Wales will, at first, probably be made by boats of the Australian Steam Navigation Company, and by the s.s. "Hero;" but I anticipate I shall soon be enabled to propose to you to contribute towards the subsidy payable for thirteen services a year, with a boat of not less than 1,000 tons register, to run to Sydney direct; the mails being delivered in Sydney in thirty days from San Francisco, which will be equal to about forty-five days from England.

Until certain details shall have been settled with the Contractors, I cannot make to you any specific offer; but I have the honor to propose to you that, meanwhile, you should agree to continue to pay a subsidy at the rate of £10,000 a year, or that any arrangement which may hereafter be completed between us shall be held to date back to the commencement of the new service, and that payment shall be made by you accordingly.

I take for granted that for the conveyance of your mails under the existing contract, which will terminate when twelve complete services have been performed, you will make the contribution which it has been understood you were ready to make, and for which I trust the necessary authority has already been given by your Legislature.

The Hon. the Colonial Secretary, New South Wales.

I have, &c.,

W. GISBORNE.

No. 60.

The Hon. W. GISBORNE to the Hon. the COLONIAL SECRETARY, Tasmania.

SIR,—

Colonial Secretary's Office,

Wellington, 3rd December, 1870.

I have the honor to inform you that the New Zealand Government has arranged a contract for a new mail service between San Francisco and New Zealand, to be performed by large boats, and at a high rate of speed. The first boat is to leave San Francisco on the 16th February next; and on her return voyage she is to leave Port Chalmers on the 1st and Auckland on the 7th April. Arrangements will be made to connect with Melbourne and with Sydney.

I am not at present in a position to propose to your Government any terms for contributing towards the subsidy, since there are some details which remain to be settled with the Contractors; but I have the honor to propose to you to use the service for the conveyance of letters, &c., subject to the understanding that any future arrangement which may be entered into by your Government with the Government of New Zealand, or with the Contractors, for the carriage of your mails, shall be retrospective, and shall date as from the day on which you commence to use the service. I would suggest to you to impose the same rate of postage as you charge by Suez and Southampton.

The Hon. the Colonial Secretary, Tasmania.

I have, &c.,
W. GISBORNE.

Letters of even date and tenor to the Hon. Chief Secretary, Victoria; Hon. Chief Secretary, South Australia; and Hon. Colonial Secretary, Queensland.

No. 61.

Mr. A. F. HALCOMBE to the Hon. the POSTMASTER-GENERAL.

Provincial Secretary's Office,
Wellington, 6th December, 1870.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 2nd instant, addressed to His Honor the Deputy Superintendent, on the subject of the remission to the Contractors for the conveyance of mails *via* San Francisco of all charges for port, light, and wharfage dues at the Port of Wellington.

In reply, I am requested to inform you that His Honor has great pleasure in indorsing your arrangement with the Contractors as far as all pilotage, harbour, and light dues are concerned. The wharf, however, is held on lease by a private individual; and as the term of his lease does not expire until the month of February, 1872, His Honor regrets that he is unable at present to remit the customary wharfage charges.

I have, &c.,
A. FOLLETT HALCOMBE,
Provincial Secretary.

The Hon. the Postmaster-General, Wellington.

No. 62.

His Honor W. ROLLESTON to the Hon. the POSTMASTER-GENERAL.

SIR,—

Superintendent's Office, Christchurch, 9th December, 1870.

In reply to your letter of the 2nd instant, in reference to the remission of light dues and other charges at the Port of Lyttelton in favour of the vessels engaged in the San Francisco Mail Contract, I have the honor to inform you that I shall have much pleasure in acquiescing in that arrangement on behalf of the Province.

I have, &c.,
W. ROLLESTON,
Superintendent.

The Hon. the Postmaster-General.

No. 63.

His Honor the SUPERINTENDENT, Otago, to the Hon. J. VOGEL.

SIR,—

Superintendent's Office, Dunedin, 14th December, 1870.

In reply to your letter of the 2nd instant, with reference to the remission of Port charges in respect of the Californian Mail Steamers, I have the honor to state that the Government most willingly agrees to the remission in question. I have only further to express my great satisfaction with the arrangements which you have so far successfully carried through in connection with the proposed service—a service which I feel assured is calculated to confer great and lasting benefits upon New Zealand.

I have, &c.,
J. MACANDREW,
Superintendent of Otago.

The Hon. J. Vogel, Wellington.

No. 64.

Mr. JOHN MORRISON to the Hon. the COLONIAL SECRETARY.

Office of the New Zealand Government Agency,

SIR,—

3, Adelaide Place, King William Street, London, E.C., 14th September, 1870.

I do myself the honor to transmit herewith two copies of a notice given by Her Majesty's Post Office, announcing the discontinuance of the mails to Victoria *via* San Francisco.

I have, &c.,
JOHN MORRISON.

The Hon. the Colonial Secretary, Wellington, N.Z.

FURTHER PAPERS RELATIVE TO THE

Enclosure in No. 64.

At the request of the Government of Victoria, no letters or other correspondence addressed to that Colony will, until further notice, be forwarded by the route of San Francisco and New Zealand.

By command of the Postmaster-General.

General Post Office, 12th September, 1870.

No. 65.

Mr. JOHN MORRISON to the Hon. the COLONIAL SECRETARY.

Office of the New Zealand Government Agency,
3, Adelaide Place, King William Street, London, E.C., 20th October, 1870.

SIR,— I do myself the honor to transmit herewith copy of a notice issued from the General Post Office, London, intimating that no newspapers, books, or patterns for Queensland will, until further notice, be forwarded by the route of San Francisco and New Zealand.

The Hon. the Colonial Secretary, Wellington.

I have, &c.,
JOHN MORRISON.

Enclosure in No. 65.

At the request of the Government of Queensland, no newspapers, book packets, or packets of patterns, addressed to that Colony, will, until further notice, be forwarded by the route of San Francisco and New Zealand.

By command of the Postmaster-General.

General Post Office, 17th October, 1870.

No. 66.

The Hon. CHARLES COWPER to the Hon. the COLONIAL SECRETARY.

SIR,— Colonial Secretary's Office, Sydney, 10th October, 1870.

I have the honor to acknowledge the receipt, on the 29th ultimo, of your letter of the 17th ultimo, in reply to mine of the 29th of August last, on the subject of the intended contribution by New South Wales towards the Californian Postal Service.

2. Without desiring to discuss how far the delay of this Government to provide the funds which it was fully intended, in connection with Queensland, to provide for the service, or the grounds which such delay may be considered fairly to have furnished your Government for adopting the course referred to in your letter, as regards the provisional agreement, I can only express my regret that various circumstances, now needless to explain, made it impracticable for me to propose an earlier provision.

3. The provisional agreement was entered into by this Government in good faith, and it was intended that it should be carried through; and we still desire that in any arrangements which present circumstances render necessary, the responsibilities of New South Wales should be fairly met as soon as the sanction of Parliament can be obtained. How soon that may be I am unable to say, but you may rest assured that it shall not be delayed unnecessarily.

4. You are aware that the withdrawal of Queensland caused embarrassment and delay; that although such withdrawal was pronounced final and absolute, our desire that the arrangements should be completed led me to endeavour to re-open the correspondence, in the hope of final re-arrangement. In this, however, I have not yet been successful.

5. Without her co-operation, however, this Government has determined to ask Parliament to vote the full amount to which both Colonies were to have contributed; and it is intended, should Parliament grant the moneys asked for, to pay to your Government at the stipulated rate per annum for such time as the Californian mails may be carried, and Sydney, as is indispensable to the continuance of the payment, remain the terminus of the line.

6. It was never intended that the payment of 20s. per pound should be even in temporary substitution of the payment as provisionally agreed upon, but it was all that was available at the time, owing to the absence of voted funds, and to the inability which decisions arrived at since the beginning of the year had created of making any payments which Parliament had not previously sanctioned.

7. I am not unwilling to concur in your request to postpone any final arrangements until further discussion, personal or otherwise, may be determined upon.

The Hon. the Colonial Secretary, New Zealand.

I have, &c.,
CHARLES COWPER.

No. 67.

Mr. JOSEPH H. BLACKFAN to the Hon. the POSTMASTER-GENERAL.

SIR,— Post Office Department, Office of Foreign Mails,
Washington, D.C., 9th November, 1870.

I have the honor, by direction of the Postmaster-General, to return herewith one of the duplicate originals of the Postal Convention between the Colonial Government of New Zealand and the United States, signed at Wellington on the 3rd of August last, and in Washington on the 5th ultimo, and to advise you that the instructions necessary for putting this Convention into operation on the 1st of December next have been issued by this Department.

Those parts of Articles I., II., and XI. left blank in the Convention as drafted by your office, have been filled by inserting the words "said Colony" in Article I.; "Auckland and Wellington" in Article II.; and "first" and "December" in Article XI. Thus it will be perceived that by Article XI., as completed, it is provided "That this Convention shall come into operation on the first day of December, 1870," which circumstance was telegraphed to the Postmaster of San Francisco under date of 7th October, with direction to forward the telegram under cover to your address.

Article VII., is therefore the only part of said Convention remaining incomplete, which, to make it perfect, requires the insertion of the registration fee to be levied in New Zealand on each registered article forwarded to the United States. This the Postmaster-General requests may be done; and that after the same shall have been determined, that you will advise him of the fee so to be levied in New Zealand, in order that it may also be inserted in its proper place in the duplicate original retained by this Department. And the Postmaster-General would also be pleased to know when it would be agreeable to you to make such provisions as may be necessary for the transmission of registered matter between our two countries, as provided for in Article VII. of the Convention.

In conclusion, I am directed to add that so much of your letter of the 3rd of August last as relates to the establishment of a Money Order system between the United States and the Colony of New Zealand has been referred to the appropriate bureau of this Department, which office holds the proposition under advisement. No. 25 of San Francisco Papers, 1870, E.—No. 4.

I also enclose for your acceptance six printed copies of the Convention in question.

I have, &c.,

JOSEPH H. BLACKFAN,

Superintendent, Foreign Mails.

The Hon. the Postmaster-General, Wellington, N.Z.

Enclosure in No. 67.

POSTAL CONVENTION between the United States of America and the Colonial Government of New Zealand.

THE undersigned, being thereunto duly authorized by their respective Governments, have agreed upon the following articles establishing and regulating the exchange of correspondence between the United States of America and the Colony of New Zealand.

ARTICLE I.

There shall be an exchange of correspondence between the United States of America and New Zealand, by means of the direct line of Colonial Mail Packets plying between San Francisco and said Colony, as well as by such other means of direct mail steamship transportation between the United States and New Zealand as shall hereafter be established, with the approval of the respective Post Departments of the two countries, comprising letters, newspapers, and printed matter of every kind originating in either country and addressed to and deliverable in the other country, as well as correspondence in closed mails originating in New Zealand and destined for foreign countries by way of the United States.

ARTICLE II.

The Post Offices of New York, Boston, and San Francisco shall be the United States Offices of Exchange, and Auckland and Wellington the Offices of Exchange of the Colony of New Zealand, for all mails transmitted under this arrangement.

ARTICLE III.

No accounts shall be kept between the Post Departments of the two countries upon the international correspondence, written or printed, exchanged between them; but each country shall retain to its own use the postages which it collects.

The single rate of international letter postage shall be 12 cents in the United States and 6d. in New Zealand, on each letter weighing half an ounce or less, and an additional rate of 12 cents (sixpence) for each additional weight of half an ounce or fraction thereof, which shall in all cases be prepaid, at least one single rate, by means of postage stamps, at the office of the mailing in either country. Letters unpaid, or prepaid less than one full rate of postage, shall not be forwarded; but insufficiently paid letters, on which a single rate or more has been prepaid, shall be forwarded, charged with the deficient postage to be collected and retained by the Post Department of the country of destination. Letters fully prepaid, received in either country from the other, shall be delivered free of all charge whatsoever.

The United States Post Office shall levy and collect, to its own use, on newspapers addressed to, or received from, New Zealand, a postage charge of 2 cents; and on all other articles of printed matter addressed to, or received from, New Zealand a postage charge of 4 cents for each weight of 4 ounces or fraction of 4 ounces.

The Post Office of New Zealand shall levy and collect, to its own use, on newspapers and other articles of printed matter addressed to, or received from, the United States, the regular rates of domestic postage chargeable thereon by the laws and regulations of the Colony of New Zealand.

Newspapers and all other kinds of printed matter are to be subject to the laws and regulations of each country respectively, in regard to their liability to be rated with letter postage when containing written matter, or for any other cause specified in said laws and regulations, as well as in regard to their liability to Customs duty and the Revenue laws.

ARTICLE IV.

The United States Office engages to grant the transit through the United States, as well as the conveyance by United States Mail Packets, of the correspondence in closed mails which the New Zealand Post Office may desire to transmit *via* the United States to British Columbia, the British

North American Provinces, the West Indies, Mexico, Central and South America, and at the following rates of United States transit postage, viz. :—

For the United States territorial transit of closed letter mails from New Zealand for Mexico, British Columbia, Canada, or other British North American Provinces, when transmitted entirely by land routes, 6 cents per ounce for letter mails, and 16 cents per pound for all kinds of printed matter.

For the United States territorial and sea transit of closed mails from New Zealand for British Columbia or other British North American Provinces, Mexico, Central and South America, or the West India Islands, when transmitted from the United States by sea, 25 cents per ounce for letter mails, and 20 cents per pound for all kinds of printed matter.

The New Zealand Post Office shall render an account to the United States Post Office, upon letter bills to accompany each mail, of the weight of the letters and also of the printed matter contained in such closed mails forwarded to the United States for transmission to either of the above-named countries and colonies; and the accounts arising between the two Offices on this class of correspondence shall be stated, adjusted, and settled quarterly, and the amounts of the United States transit charges, found due on such closed mails, shall be promptly paid over by the New Zealand Post Office to the United States Post Office in such manner as the Postmaster-General of the United States shall prescribe.

ARTICLE V.

Prepaid letters from foreign countries received in, and forwarded from, the United States to New Zealand shall be delivered in said Colony free of all charges whatsoever; and letters received in New Zealand from the United States, addressed to New South Wales or Australia, will be forwarded to destination, subject to the same conditions as are applicable to correspondence originating in New Zealand and addressed to those countries.

ARTICLE VI.

In the event of any of the Australian Colonies not agreeing with New Zealand to contribute to the maintenance of any line of mail packets plying between New Zealand and the United States of America, and subsidized by New Zealand, the New Zealand Post Office may require the United States Post Office not to forward by such subsidized packets any mails, letters, newspapers, or other articles addressed to such Colony, and the New Zealand Post Office may refuse to transmit to their destination all mails, letters, newspapers, or other printed matter addressed to such Colony, and received in New Zealand from the United States by such subsidized packets, and may refuse to forward to their destination by such subsidized packets all mails, letters, newspapers, or other printed matter received in New Zealand from such Colony, and addressed to the United States of America or elsewhere.

ARTICLE VII.

The two Post Office Departments may, by mutual agreement, provide for the transmission of registered articles in the mails exchanged between the two countries.

The registered fee for each article shall be 10 cents in the United States, and 6d. in New Zealand.

ARTICLE VIII.

The two Post Departments shall settle by agreement between them all measures of detail and arrangement required to carry this Convention into execution, and may modify the same in like manner, from time to time, as the exigencies of the service may require.

ARTICLE IX.

Every fully prepaid letter despatched from one country to the other shall be plainly stamped with the words "Paid all," in red ink, on the right-hand upper corner of the address, in addition to the date stamp of the office at which it was posted; and on insufficiently paid letters the amount of the deficient postage shall be inscribed in black ink.

ARTICLE X.

Dead letters, which cannot be delivered from whatever cause, shall be mutually returned, without charge, monthly, or as frequently as the regulations of the respective Offices will permit.

ARTICLE XI.

This Convention shall come into operation on the first day of December, 1870, and shall be terminable at any time, on a notice by either office of six months.

Done in duplicate, and signed in Washington, the fifth day of October, one thousand eight hundred and seventy, and in Wellington, New Zealand, on the third day of August, in the same year.

(L.S.)

JOHN A. J. CRESSWELL,
Postmaster-General of the United States.

(L.S.)

JULIUS VOGEL,
Postmaster-General of New Zealand.

I HEREBY approve the foregoing Convention, and in testimony thereof I have caused the Seal of the United States to be affixed.

U. S. GRANT.

By the President.
HAMILTON FISH,
Secretary of State.

Washington, 5th October, 1870.

No. 68.

Mr. H. T. HOLLAND to Mr. VOGEL.

SIR,—
 I am directed by the Earl of Kimberley to acquaint you that he is informed by a letter from the Foreign Office, that, in accordance with the request of the Governor of New Zealand, Earl Granville has had great pleasure in instructing Sir E. Thornton to use his good offices in your favour on the occasion of your proceeding to Washington with a view of arranging postal matters with the United States.

Julius Vogel, Esq.

Downing Street, 21st January, 1871.

I have, &c.,
 H. T. HOLLAND.

No. 63 of Despatches of this year's series.

No. 69.

Mr. E. KNATCHBULL HUGESSEN to Mr. VOGEL.

SIR,—
 I am directed by the Earl of Kimberley to acquaint you that he duly received Sir G. Bowen's Despatch of 7th October, enclosing your Memorandum on the subject of the proposed postal Convention with the United States, and that Sir G. Bowen has been informed that Her Majesty's Government have no objection to the conclusion of the Convention.

Julius Vogel, Esq.

Downing Street, 7th February, 1871.

I have, &c.,
 E. KNATCHBULL HUGESSEN.

No. 56 of Despatches of this year's series.

No. 70.

The SECRETARY of STATE to Sir G. F. BOWEN, G.C.M.G.

SIR,—
 I have to acknowledge your Despatch of the 7th October, enclosing a Memorandum by the Colonial Treasurer and Postmaster-General, on the subject of a proposed Convention with the United States for the conveyance of mails between that country and New Zealand by means of the Colonial line of mail packets recently established.

I have to inform you that Her Majesty's Government do not object to the conclusion of the Convention. A communication to this effect has been addressed to the Postmaster-General of New Zealand, care of the British Legation at Washington.

Governor Sir G. F. Bowen, G.C.M.G., &c., &c., &c.

I have, &c.,
 KIMBERLEY.

No. 71.

Mr. W. H. WEBB to the Hon. JULIUS VOGEL.

SIR,—
 Referring to the letter addressed to you by Messrs. Collie, Stewart, and Co., of this city, in accordance with my instructions, and dated 12th September, 1870, and which letter I now confirm, I deem it proper to acquaint you of certain negotiations entered upon since that date, between Mr. Holladay, of this city, and myself, and at his invitation, in regard to the establishing a steam mail line between this port and Auckland *via* Honolulu.

Just previous to the departure of the last steamer for Honolulu, certain proposals were unexpectedly received by me at New York by telegram, dictated by Mr. Holladay's agents here, which proposals being accepted (with provisions) by me, induced his agents to despatch Mr. Neilson, their employee, to New Zealand, and also, by the Mail Agent, a letter addressed to you in the joint names of Mr. Norris, Vice-President of the North Pacific Transportation Company, and Mr. Stewart.

This letter was forwarded just on the eve of the departure of the steamer, and without my concurrence or knowledge, otherwise I should have sought to have it modified more in harmony with my proposition made you on the 12th September last, and have advised you more fully at same time.

You will please observe I write from San Francisco, to which city I have come solely upon this business, and upon invitation from Mr. Holladay, in hopes of coming to some definite arrangement with him previous to the sailing of the steamer to-morrow; but, unfortunately, owing to the absence of Mr. Holladay from the city, and the pretensions or demands of his agents, the negotiations are not concluded, but remain still pending and awaiting the return of Mr. Ben Holladay to this city in a few days, when I trust a satisfactory arrangement will be arrived at, contemplating the employment of steamers in the service belonging to both parties, but more immediately under my management, and one which I trust will be entirely acceptable to the Post Office Department of New Zealand and others.

Under these circumstances, both parties to the joint letter of the 12th October, 1870, have Not published. I am happy to be able to inform you that public opinion in this country is rapidly tending to the advantages likely to accrue to both countries by the establishment of an acceptable steam mail line between New Zealand and the United States.

Trusting that you may find it to the interests of your Department to come to some arrangement with our agents, mutually beneficial, and such as will enable us, in connection with the

subsidy which I confidently expect will be voted by the American Congress at an early day, to establish a first-class line of steamers to New Zealand and Australia,

The Hon. Julius Vogel, Postmaster-General,
New Zealand.

I have, &c.,
W. H. WEBB.

No. 72.

Mr. W. H. WEBB to the Hon. JULIUS VOGEL.

SIR,—

San Francisco, 14th December, 1870.

No. 71 of this series.

I had the honor to address you by the steamer of the 20th ultimo, on the subject of conveying the New Zealand Mails to and from this port. In my letter I informed you that preliminary steps had been taken to unite conflicting interests in this country, but I regret to say that up to this time no arrangement has been entered into.

My Bill, asking for a subsidy of 300,000 dollars annually, is now before Congress, and has been recommended in the strongest terms by the Chamber of Commerce of this port, and also by the Convention of the National Board now sitting at Buffalo. The senators have given me every assurance that the Bill will pass into law early in January, 1871.

I am in a position to enter upon the service at once, and without waiting the action of Congress, providing you will grant me a subsidy of £30,000 annually for a monthly service to Auckland.

By the steamer of the 12th October, I sent a joint power of attorney to Messrs Collie and Cruickshank, which is now cancelled, and also the letters and authority given to Mr. Neilson.

Mr. Collie informs me that you will visit this country in February, and that you are anxious that the service shall not be interrupted. To further your views, I will send a fully-authorized agent to meet you in Honolulu, so that the service may go into operation at once.

I have, &c.,

W. H. WEBB

(per J. B. M. Stewart).

The Hon. Julius Vogel.

No. 73.

Messrs. HOLLADAY and BRENHAM to the Hon. JULIUS VOGEL.

Office of the North Pacific Transportation Company,
San Francisco, 14th November, 1870.

SIR,—

Not printed.

We have the honor to acknowledge the receipt of your letter of the 7th October.

With regard to the Australian Steam Service, negotiations have been and are now pending between Mr. Webb and ourselves, contemplating a through line from San Francisco, uniting our separate interests. Should we fail to reach a final and positive agreement, we avail ourselves of a suggestion in your letter relative to the A.S.N. Co., and hasten to say that we will be most willing to connect with their steamers at Honolulu, or those of Mr. Hall, as heretofore, making satisfactory arrangements with either party, agreeing on our part to make the service all that could be desired between here and Honolulu. By next steamer we will be able to advise you of the result and determination of the negotiations now pending.

We are pleased to hear you contemplate making a visit to California in January. Our business men, as well as our Company, would have cause of congratulation upon such an event. Our whole people are alive to the necessity and importance of steam communication with your section of the world. To that end we invite you to accept the freedom and hospitality of our steamer from Honolulu and return.

No. 36 of this series.

According to your instructions to Mr. Hall, we have detained the "Moses Taylor" until to-morrow, the 16th, and will continue to leave here on the 15th of each month, until otherwise ordered.

We have, &c.,

HOLLADAY AND BRENHAM.

The Hon. Julius Vogel, Auckland, N.Z.

No. 74.

Messrs HOLLADAY and BRENHAM to the Hon. JULIUS VOGEL.

Office of the North Pacific Transportation Company,
San Francisco, 14th January, 1871.

SIR,—

We have the pleasure of acknowledging the receipt of a copy of the contract made by Mr. W. M. Neilson for mail services with the New Zealand Government. We beg to acknowledge our appreciation of the efforts you have made to meet our own views in carrying out this measure.

Since our last pleasure, the interests of Mr. W. H. Webb and ourselves in this service have become united, and we are now endeavouring to obtain a fair mail subsidy from our own Government. We learn by telegraph this morning, that a Bill has been unanimously reported by the Senate Committee, authorizing the Postmaster-General to contract with Mr. Ben Holladay and Mr. W. H. Webb for a mail service to the Colonies. We at this moment have no doubt of its early passage through both Houses; and with this, you can be assured of a most satisfactory service in every respect. It is our intention, in the endeavour to carry out the spirit of the contract made with your Government, to send a steamer on the 16th March, and it may be possible for us to send one in February.

We are much gratified to learn that you will be here on the return steamer from Honolulu; and although we do not at this moment formally accept the contract, we can assure you, that with some modifications, which we believe your own good judgment will acquiesce in, a most satisfactory service, both for your own Government and ourselves, can be agreed upon.

Mr. Holladay and Mr. Webb are now in Washington, and communication with them, since the arrival of the steamer, has been by telegraph. The copy of the mail contract will not reach them in time to receive a definite reply before the sailing of the steamer; but we feel assured that the spirit of the arrangement made by Mr. Neilson will be accepted by them.

The Hon. Julius Vogel, Postmaster-General,
New Zealand.

We have, &c.,
HOLLADAY AND BRENHAM.

No. 75.

Mr. GEO. COLLIE to the Hon. JULIUS VOGEL.

SIR,—

Honolulu, 26th November, 1870.

I have the honor to announce my arrival here on the 25th instant, your time. I have been told by several gentlemen just arrived from San Francisco that the Trans-Continental Railway Company, Messrs. Holladay and Brenham, and Mr. W. H. Webb have coalesced for the purpose of carrying the mails to Australia.

My partner has informed me that the arrangement only awaits the confirmation of Mr. Ben Holladay, whose return to San Francisco was expected on the 25th instant. That Mr. Holladay will indorse the acts of his partners, no one seems to doubt; and my partner writes in the same confidential strain. In any case, Mr. Webb has gone too far to recede, and his boats will be ready in less than a month to commence running the line under any circumstances.

I am assured that the Hawaiian Government have not assigned their subsidy to Mr. Hall or any Company, and that it will only be given to a line of powerful and efficient steamers, permanently established, and calling here both ways.

Trusting to have the pleasure of seeing you in San Francisco by the January mail,

I have, &c.,

The Hon. Julius Vogel, Postmaster-General,
New Zealand.

GEO. COLLIE.

No. 76.

Mr. FRED. W. HUTCHISON to the Hon. JULIUS VOGEL.

SIR,—

Department of the Interior, Honolulu, 26th December, 1870.

I have to acknowledge receipt of your letter of the 22nd November, informing me that you No. 52 of this series. had made an agreement, on the part of the Government of New Zealand, with Mr. Neilson, acting as agent for Mr. Webb, of New York, and Messrs. Holladay, Brenham and Company, of San Francisco, for a mail service between your Colony and San Francisco. No member of His Majesty's Cabinet has received any communication from Mr. Neilson up to this moment of writing, *i.e.*, within one hour of the closing of the "Wonga Wonga's" mail; but you may rest assured that this Government is anxious that direct communication should be established between your Province and Australia and these Islands, and that it will give every encouragement possible to secure such a desirable result.

I have, &c.,

The Hon. Julius Vogel, Postmaster-General,
New Zealand.

FRED. W. HUTCHISON.

No. 77.

Messrs. ROXBURGH, SLADE, and SPAIN to the Hon. JULIUS VOGEL.

SIR,—

Exchange, Sydney, 7th December, 1870.

Referring to our letter to you of the 31st October, we now beg to send you herewith copy of No. 11 of this series. third extension of guarantee to the A.S.N. Co. At the same time we shall esteem it a favour if you series. will send us a reply to the above letter.

We are, &c.,

The Hon. Julius Vogel, Postmaster-General,
Auckland, N.Z.

ROXBURGH, SLADE, AND SPAIN.

Enclosure in No. 77.

Messrs. ROXBURGH, SLADE, and SPAIN, to the MANAGER, Australian Steam Navigation Company.

SIR,—

Sydney, 6th December, 1870.

Referring to your letter to the Hon. Julius Vogel, Postmaster-General, New Zealand, of the 29th September last, enclosing a letter addressed to him by Mr. H. H. Hall, of the 29th September last, and 2 in No. 7 of this series. respecting the continued payment to your Company of certain moneys on account of subsidy moneys which may be or become payable to him under the agreement entered into with him by Mr. Vogel, as Postmaster-General of New Zealand, on behalf of the New Zealand Government, and to our letter to you Enclosure No. 3 thereon of said 29th September, we are authorized to say, that, in accordance with Mr. Hall's said in No. 7 of this series. letter, the Government of New Zealand will extend the guarantee contained in Mr. Vogel's letter to you of the 11th January, 1870, and make the payments as therein for a third further period of one month, in manner and upon and subject to the terms in Mr. Hall's said letter contained.

We have, &c.,

Fred. Trouton, Esq., Manager, A.S.N. Co.

ROXBURGH, SLADE, AND SPAIN.

No. 78.

Messrs. ROXBURGH, SLADE, and SPAIN to the Hon. JULIUS VOGEL.

SIR,—

Exchange, Sydney, 23rd February, 1871.

We have given to the A.S.N. Company a sixth extension of the guarantee, which will have the effect of making the original guarantee for twelve months instead of six, as the Company indicated that there would be difficulty in starting the outgoing steamer unless we did. We at the same time sent to Mr. Hall a letter, of which we enclose a copy, which will leave the question open between the Government and Mr. Hall, and will, we think, enable the Government to withdraw the order on the New South Wales Government, if necessary.

The Hon. Julius Vogel, Postmaster-General,
Auckland, N.Z.

We have, &c.,
ROXBURGH, SLADE, AND SPAIN.

Enclosure in No. 78.

Messrs. ROXBURGH, SLADE, and SPAIN to Mr. H. H. HALL.

SIR,—

Exchange, Sydney, 21st February, 1871.

Enclosure No. 1
in No. 7 of this
series.

In order to insure the starting of the next steamer to Honolulu *via* Auckland, we intend, in pursuance of your letter to Mr. Vogel of the 29th September last, to extend the guarantee to the A.S.N. Co., so as to cover such vessel. At the same time we beg to inform you that, notwithstanding any arrangement made by you with Mr. Vogel, respecting the subsidy or otherwise, the New Zealand Government will hold you responsible for any breach of agreement, and will reserve the right to obtain from you, or otherwise, any over-payment in regard to subsidy, in consequence of such guarantee or otherwise.

H. H. Hall, Esq.

We have, &c.
ROXBURGH, SLADE, AND SPAIN.

No. 79.

The Hon. JULIUS VOGEL to Mr. H. H. HALL.

SIR,—

Auckland, 7th January, 1871.

Referring to the conversation I had with you yesterday, I have now the honor to inform you that, in addition to releasing the sum of £500 now deposited in the Oriental Bank in Sydney, I agree to authorize the New South Wales Government to pay to you, or to your order, the amount due by them, or which may become due, on account of their contribution to the subsidy to the California Mail Service performed by you.

And further, should any loss of freight and passenger money on the passages of your steamers from Honolulu to Sydney in March and April next, occasioned by such freight and passenger money being absorbed by the new mail steamers exceed the sum of £2,000, which sum has already been advanced to you, compensation will be made to you by the Government.

H. H. Hall, Esq., Auckland.

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

No. 80.

The Hon. JULIUS VOGEL to the Hon. the POSTMASTER-GENERAL, Sydney.

SIR,—

Auckland, N.Z., 7th January, 1871.

Referring to previous correspondence on the subject of the Mail Steam Service between Sydney and San Francisco, I have the honor to request that you will be good enough to pay to the contractor, Mr. H. H. Hall, of Sydney, or his order, all moneys now due by your Government, or which may become due, on account of your contribution towards the subsidy to that service.

The Hon. the Postmaster-General, Sydney,
New South Wales.

I have, &c.,
JULIUS VOGEL.

No. 81.

The Hon. JULIUS VOGEL to the MANAGER, Oriental Bank, Sydney.

SIR,—

Auckland, N.Z., 7th January, 1871.

I have the honor to request that you will be good enough to pay to Mr. Hayden Hezekiah Hall, of Sydney, or his order, the sum of £500, deposited by Mr. Hall in your Bank as security for the due performance of the Mail Steam Service between Sydney and San Francisco.

The Manager of the Oriental Bank, Sydney,
New South Wales.

I have, &c.,
JULIUS VOGEL.

No. 82.

The MANAGER, Oriental Bank Corporation, Sydney, to the Hon. JULIUS VOGEL.

SIR,— Oriental Bank Corporation, Sydney, 25th January, 1871.

I beg to acknowledge the receipt of your letter of the 7th instant, and in terms thereof have No. 81 of this paid to Mr. Hayden Hezekiah Hall the sum of £500, being balance of the amount deposited in this series. Bank as security for the due performance of the Mail Steam Service between Sydney and San Francisco.

I have, &c.,

STEWART MURRAY,

Manager.

The Hon. Julius Vogel, Postmaster-General, Auckland.

No. 83.

Mr. S. H. LAMBTON to the SECRETARY, General Post Office.

SIR,— General Post Office, Sydney, 21st January, 1871.

I am directed to acknowledge the receipt of your communication, dated the 7th instant, No. 80 of this requesting that payments of all moneys now due by the Government of this Colony, or which may become due, on account of the Californian Mail Service, be made to the contractor, Mr. H. H. Hall, of Sydney, or his order.

I have &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington, N. Z.

No. 84.

Mr. WM. JAS. PAGE to the POSTMASTER-GENERAL.

SIR,— General Post Office, London, 26th January, 1871.

I have received a report from the Agent of this Department at Panama, in which he states that by each mail from San Francisco a number of small bags of letters, originating in New Zealand and Australia, and addressed to the ports on the South Pacific Coast, are forwarded to his office unpaid and without any credit having been given to this Department for their conveyance by the British packets from Panama.

In bringing this matter under your notice, I request that you will be good enough to give instructions that such bags may in future be forwarded in a mail addressed to the Agent of this Department at Panama, and that credit may be given at the rate of 6d. per half-ounce for letters, 1d. per 4 oz. for newspapers, and 3d. per 4 oz. for printed papers.

In the meantime, the Agent at Panama has been instructed to take an account of the postage due to this Department on any letters, &c., from New Zealand, which may pass through his office unpaid.

I presume that you have made your own arrangements with the United States Post Office for the conveyance of the letters from San Francisco to Panama, and for the payment of the postage due for such conveyance.

I have, &c.,

WM. JAS. PAGE.

The Postmaster-General, Wellington.

No. 85.

MEMORANDUM by the Hon. JULIUS VOGEL as to the Californian Mail Service.

THE Postmaster-General reports for the information of the Cabinet, that after mutual consideration, he came to the conclusion that it was desirable to meet the wishes of Mr. W. H. Webb to the extent disclosed by the correspondence sent herewith, and the copy of contract attached thereto.

Whilst it is very clear that the contract as made with Mr. Neilson, in Auckland, bound the North Pacific Transportation Company and Mr. Webb's partner in the new undertaking (Mr. Ben Holladay), Mr. Webb himself could only be considered to be inferentially bound by that contract. It is quite possible that a court of equity would have held that, under all the circumstances, Mr. Webb was responsible, but in every way it seemed to the Postmaster-General desirable to avoid having to raise any such question, and to seek rather to meet the wishes of Mr. Webb, as far as might be possible.

At the outset, Mr. Stewart took certain objections, the chief of them being that the contract must not be with any one except Mr. Webb and Mr. Ben Holladay, and that the main-line boats could not proceed to Port Chalmers. Mr. Stewart also considered that it would be much more satisfactory to both parties to the contract that the risks and the advantages of any future arrangements with the Australian Colonies should be shared by both parties to the contract.

The material points of difference between the original contract and the new one are—

1. The definite adoption of a particular line instead of provisions for three alternative lines.
2. The adopted line is a modification of "line No. 2" to the extent of a reduced payment for the service, in consideration of the contractors sharing with the Government whatever subsidies may be obtained from Australia.

3. The giving permission to the contractors during the first year, and thereafter twice during each year, to cause the boat arriving from San Francisco to proceed direct to Sydney, after touching at Auckland and transshipping mails,—the boat at Auckland to proceed to Port Chalmers, and from Port Chalmers to make the next succeeding trip to San Francisco.

4. The contractors undertake to run the Sydney boat on to Melbourne each month, provided the Victorian Government agree to pay a subsidy of £25,000 a year, that sum to be divided equally between the New Zealand Government and the Contractors.

As to those four points the Postmaster-General has to make the following remarks:—

1 and 2. Although it would have been desirable to retain for the Assembly the power of deciding between the originally provided routes, yet it seemed to the Postmaster-General, that if the contractors pressed for the adoption of a particular route, it would be well to meet their wishes. More especially did this seem desirable, seeing that the contractors were willing to share in the risk of the subsidies to be

Enclosure No. 5.

obtained from the Australian Colonies. The amount of £50,000 a year, now agreed to be paid by New Zealand, instead of £60,000, must be taken as including a payment of £2,000 a year in consideration of the vessels lying-to to receive and deliver mails at Hawke's Bay. Mr. Stewart definitely refused to insert in the memorandum of agreement a clause that the vessels should call at Hawke's Bay; but he has given to the Postmaster-General a letter to the effect that, should the contractors not agree that the vessels shall lay-to as before stated, the amount of the subsidy shall be reduced by £2,000. In reality, therefore, New Zealand, instead of paying £60,000 a year and receiving the whole of the Australian subsidies, will pay £48,000 and receive one-half of the Australian subsidies. In other words, New Zealand accepts a reduction of £12,000 in lieu of a moiety of those subsidies. At the same rate, for the other moiety, the New Zealand subsidy would be reduced to within the vote of the Assembly. But although the Postmaster-General considered it desirable to commute one-half of the Australian subsidies for £12,000, it is his opinion that a sum of £12,000 does not represent half of what should be obtained from those Colonies. It appeared to him that, in agreeing to share those subsidies with the contractors, he was adopting a course which must make the Colony's half considerably more valuable than half of what would otherwise have been obtainable, since it was a course which made it the interest of the contractors to co-operate with the Government in securing fair contributions from the Australian Colonies. It is to be remarked that the power of arranging with those Colonies remains in the hands of the Government.

The contract, as it is now shaped, really provides that, in the event of Victoria paying a fair subsidy, a boat shall run through monthly to Melbourne. It is understood that very good time is to be made, and the service will alternate fortnightly with that of the Peninsular and Oriental Company. In short, a second monthly service will be offered to the Australian Colonies, which will be as serviceable as the one which they now have.

3. Some dissatisfaction may at first be felt in Otago at this modification (No. 3); but the Postmaster-General trusts that, on reflection, it will be recognized that the concession is not an unreasonable one. He was unwilling to make it; but when it became a question of making a concession or suspending all negotiations with Mr. Stewart, he yielded. Mr. Stewart at first claimed that the concession should apply to the whole term of the contract, but to this the Postmaster-General absolutely declined to consent, because he could not be blind to the fact that while the change would still leave the main-line boat to proceed from Port Chalmers to San Francisco, yet on the voyage from San Francisco the main-line boat would have been constantly proceeding to Sydney. The same class of boat to Port Chalmers would have been secured, but the continuity of the voyage would have been broken at Auckland in the down voyage. Therefore, it was that the Postmaster-General declined absolutely to accept the modification as applying to the whole term of the contract; but after considerable hesitation, and believing it to be a necessity, he accepted it for the first twelve months. Several considerations had weight with the Postmaster-General in causing him to consent to the modification. (1.) By allowing the main-line boat to proceed, even for short period to Australia, a full knowledge of the advantages of the service will be afforded there, and consequently, in all probability, a much larger amount as subsidies will be procurable. (2.) There was force in the complaint of Mr. Stewart, that the contractors would be put to a much larger expense for coal if the main-line boats were altogether prevented from going on to Sydney. It is much to be hoped, in the interest of the new service, that twelve months hence the price of New Zealand coal will not greatly exceed that of New South Wales coal in Sydney. (3.) There was considerable force in the plea urged by Mr. Stewart that at present there are not at Port Chalmers sufficient appliances for repairing the vessels, and that, consequently, it would be unadvisable that, in some cases, the boats should proceed to Sydney for repairs. Within twelve months there should be erected at Port Chalmers, in connection with the dock, workshops with sufficient appliances for making any necessary repairs to the contract vessels; and it is to be presumed that this will be done. The concession that after the first twelve months vessels may proceed to Sydney twice during each year was made in response to the urgent representations of Mr. Stewart that otherwise the boats running between Auckland and Sydney could not return to San Francisco, and that it was a matter of necessity to the owners that no one of their boats should be permanently removed from their inspection. The Postmaster-General hopes that these considerations will lead to a thorough approval of the course he has taken on this point, especially when it is considered that, but for the concessions, the establishment of the service might have been jeopardized, and that as regards the class of vessels to be employed, their rate of speed, and their constantly proceeding to Port Chalmers, the concession has really not at all affected what was stipulated for in the original contract.

4. The consent of the contractors to run a boat to Melbourne, if a certain subsidy be paid by Victoria, may possibly lead to a considerable increase in the subsidy obtainable from that Colony, and consequently to a reduction in the cost of the service to New Zealand, and the concession on this point cannot be injurious to the Colony or to the service.

On his arrival in San Francisco, the Postmaster-General had ample reason to be satisfied that he had acted judiciously in arranging with Mr. Stewart.

For reasons which need not be detailed, there is room for doubt whether the Subsidy Bill will pass through Congress. Although it was not a condition of the contract that it should be in any way dependent upon the United States paying a subsidy, yet it was well understood that all the arrangements with New Zealand were made under the conviction that the United States would pay a subsidy. The doubt which had arisen as to the passing of the Bill, therefore, caused Mr. Webb and Mr. Ben Holladay to be very much disinclined to be committed to a positive agreement whilst the subsidy question remained in abeyance. Consequently, there was not that ready acceptance of the arrangement made by Mr. Stewart which the Postmaster-General had expected; and there is reason to believe that, had not that arrangement been made, it would have been necessary to have taken up the whole subject afresh here, and it is impossible to determine what arrangement could have been made. As it is, Mr. Stewart, who has acted in thoroughly good faith, has been in constant communication with Washington, where Mr. Webb and Mr. Ben Holladay were, and has insisted upon the contract being carried out.

The Postmaster-General had to remain in San Francisco until a decision had been arrived at, in order to enable announcement to be made of the times of starting of the boats. It was not until a

correspondence by telegraph had gone on continuously for five days that Mr. Webb finally agreed to accept the contract, provided that twenty-four hours for coaling were allowed at Honolulu, he agreeing, on his part, to forego calling at the Fijis. The Postmaster-General came to the conclusion to grant the concession. Even supposing that the stipulation of Mr. Webb had been less reasonable than it really was, it did not seem desirable to leave the contractors to the course they had evidently determined on, of fighting the question whether they were bound by the contract. But, apart from this consideration, the Postmaster-General could not but recognize that, in asking for the twenty-four hours' delay at Honolulu, the contractors were still under engagement to perform a service exceeding ten knots per hour (250 a day). The steaming distance between Auckland and San Francisco is over 6,000 miles, so that twenty-four days from San Francisco to Auckland represents more than ten knots an hour; and the twenty-four hours, now agreed to be allowed at Honolulu for coaling, represents time which the vessels will really have to stay at that port. Nor was it at all an unimportant concession on Mr. Webb's part that the boats should not call at the Fijis. It was a concession which the Postmaster-General endeavoured to obtain in Auckland, and also from Mr. Stewart, but without success. The Postmaster-General has always felt, that if the boats, on their way from San Francisco called at the Fijis, the Australian Colonies would continue to be dissatisfied that their mails, after being brought so near to the Australian coast, should be delayed by the boats proceeding on to Auckland, no connection being made at the Fijis. Under the new arrangement there can be no doubt that a branch line will be run from some port of New Zealand to New Caledonia and to the Fijis.

Mr. Webb, it was found, could not arrange to start the first boat from San Francisco until the 31st of March. Reluctantly the Postmaster-General had to consent to this. It was fortunate that before he left New Zealand the Manager of the A.S.N. Co. had assured him that, if it was required to carry the mails to Honolulu for another month after the termination of Mr. Hall's contract, the Company would find a boat for the purpose. As will be seen from the correspondence, copies of which are enclosed, the Postmaster-General was enabled at once to arrange with Mr. Hall to continue his service for another month.

The boat which will leave San Francisco on the 31st March will not be able to start from Port Chalmers until the 6th May, and from Auckland on the 12th. This will make an interval of somewhat more than a month after the preceding mail; but it is to be presumed that the people of New Zealand will be content to submit to the disadvantage incidental of necessity to the establishment of a new mail line. It must be borne in mind, too, that under the new contract the time will be less than the service has been performed under the old contract.

The arrangements made for the outset will necessitate that the boats shall remain in Port Chalmers only a few days; but it is understood that the times now fixed will be revised after two or three months.

The Postmaster-General has arranged with Mr. Stewart the times for the first two boats; and he now proceeds to Washington, accompanied by Mr. Gray. At Washington Mr. Webb and Mr. Holladay will have to enter into bonds, in terms of the contract, and there, also, more complete arrangements as to the time-table can be made.

The Postmaster-General does not anticipate that the contractors will raise any further difficulties in respect to their contract; but those gentlemen consider that, in good faith, he is bound to do all he can to aid them in obtaining the subsidy from the United States, and it is at their request that he is proceeding to Washington.

San Francisco, 13th February, 1871.

JULIUS VOGEL.

Enclosure 1 in No. 85.

WEBB and HOLLADAY's Contract.

MEMORANDUM OF AGREEMENT made this sixth day of February, one thousand eight hundred and seventy-one, between the Honorable JULIUS VOGEL, the Postmaster-General of New Zealand, and a Member of the Executive Council of the Colony, acting on behalf of the Government of New Zealand, and hereinafter called the Postmaster-General, of the one part, and WILLIAM H. WEBB, Esquire, of New York, in the United States of America, Shipowner, and BEN HOLLADAY, Esquire, of San Francisco, in the United States of America, hereinafter called the Contractors, for themselves, their heirs, executors, administrators, and assigns, of the other part, WITNESSETH that each of the parties do severally contract, promise, and agree with and to the other party respectively in manner following, that is to say:—

1. The Contractors shall and will establish a line of mail steam vessels to be called "The United States, New Zealand, and Australian Mail Steam Packet Line," to run between the Port of San Francisco and New Zealand, to commence at San Francisco on a day during the month of March, one thousand eight hundred and seventy-one, to be hereafter agreed upon between the parties hereto, and to be continued for the term of ten years: Provided that it shall be lawful for the Postmaster-General to determine this contract at the end of three years if the General Assembly of New Zealand shall refuse to ratify the same for a longer time, and notice of such refusal shall have been given in writing to the Contractors, or left with their agent in Wellington, hereby authorized to receive the same, within six calendar months after the first steam vessel under this contract shall arrive at Wellington.

2. The Government of New Zealand shall and will use their best endeavours to obtain from the General Assembly a ratification of this contract for the full period of ten years.

3. The steam vessels to be employed under this contract shall be the "Nevada," the "Nebraska," the "Dacotah," the "Moses Taylor," and such other vessel or vessels as may be required for carrying out the contract, and as shall be approved of by the Postmaster-General: Provided that the "Moses Taylor" shall be used only in cases of emergency, no other of the said vessels being available, by reason of unavoidable accident; and if any of the said vessels shall be lost or become unserviceable, another vessel to be approved of in writing by the Postmaster-General, shall be substituted.

4. It shall be lawful for the Contractors to substitute other vessels for those named, provided that such substitution shall be previously assented to in writing by the Postmaster-General.

5. The steam vessels to be from time to time employed in the performance of this contract shall be always fitted out, furnished and provided with every requisite for rendering them constantly efficient for the service in every particular, as first-class mail and passenger steam vessels.

6. One of the vessels to be employed under this contract shall leave San Francisco once in every twenty-eight days, and shall proceed thence to Port Chalmers, by way of and calling at Auckland, Wellington, and Lyttelton, in New Zealand; and one of the said vessels shall leave Port Chalmers once in every twenty-eight days, and shall proceed to San Francisco, by way of and calling at Lyttelton, Wellington, and Auckland.

7. The said steam vessels may call at two intermediate places, and no more, between Auckland and San Francisco, and between San Francisco and Auckland, and such two places may be at any of the Hawaiian, Society or Navigator Islands, as the Contractors shall think fit and appoint; and such ports, after being appointed, may be altered from time to time by the Contractors with the consent of the Postmaster-General, but not otherwise.

8. The time (including stoppages) allowed for the voyage between San Francisco and Auckland, and Auckland and San Francisco, shall not exceed five hundred and seventy-six hours (twenty-four hours allowed for coaling at Honolulu); and the Contractors shall use all possible diligence and despatch to depart from Auckland, and thereafter to perform the voyage between Auckland and Port Chalmers within one hundred hours, including stoppages, and shall forfeit the sum of two pounds per hour for every hour's unnecessary delay.

9. The Contractors shall once in every twenty-eight days run a steamer in connection with the aforesaid steamers, between Auckland and Sydney, in the Colony of New South Wales, and between Sydney and Auckland; and if required so to do by the Postmaster-General, the Contractors shall, or at their own option they may, run the said steamer from Sydney to Melbourne, in the Colony of Victoria, and from Melbourne to Sydney and Auckland; but the Postmaster-General shall not require the said steamer to be run from Sydney to Melbourne, unless the Victorian Government agree to pay a subsidy of twenty-five thousand pounds per annum, which sum shall be equally divided between the Government of New Zealand and the Contractors.

10. The vessel to be employed between Auckland and Sydney, or between Auckland, Sydney, and Melbourne, as the case may be, as provided in the preceding clause, shall be in all respects equal to the vessels employed between San Francisco and Port Chalmers, and shall be approved of by the Postmaster-General; and the whole time, including stoppages allowed for the voyage each way between San Francisco and Sydney shall not exceed seven hundred and twenty hours; and between Sydney and Melbourne, each way, the whole time shall not exceed fifty-five hours.

11. For the service hereinbefore described, inclusive of the service between Auckland and Sydney, or between Auckland, Sydney, and Melbourne, as the case may be, the Contractors shall be paid by the Government of New Zealand at the rate of fifty thousand pounds for thirteen complete services to and from Port Chalmers and San Francisco, and to and from Auckland and Sydney, or Auckland, Sydney, and Melbourne, as the case may be; and all mails which the Postmaster-General shall require to be carried by the Contractors during the continuance of the contract shall be carried free of cost.

12. If during the first four months after the date fixed for the commencement of the contract service, the Contractors are unable to run a vessel from Auckland to Sydney, or from Auckland to Sydney and Melbourne, the payment to be made to the Contractors by the Government of New Zealand during that period shall be at the rate of forty thousand pounds for thirteen complete services, and not at the rate of fifty thousand pounds as hereinbefore provided; and the Contractors agree to start the said steamer not later than four months after the commencement of the contract service.

13. During the first thirteen complete services between San Francisco and New Zealand, each way, the Contractors may cause the vessel arriving at Auckland from San Francisco to be run from Auckland to Sydney, or from Auckland to Sydney and Melbourne, in which case the vessel mentioned in clause nine, instead of proceeding to Melbourne and Sydney shall proceed to Port Chalmers, after transhipping the mails on board the vessel from San Francisco; but in such case the vessel proceeding to Port Chalmers shall be the vessel to make the next succeeding voyage to San Francisco.

14. After the completion of the first thirteen services between San Francisco and New Zealand, each way, the Contractors may at their option, twice during each twelve months, run the vessel arriving at Auckland from San Francisco to Sydney, or to Sydney and to Melbourne, in the same way as is provided by the preceding clause; but, save and except as is provided by the preceding clause and by this clause, the vessel arriving at Auckland from San Francisco shall proceed to Port Chalmers, and from Port Chalmers to San Francisco, as is provided by clause 6.

15. It shall be lawful for the Postmaster-General, but not for the Contractors, to make any arrangements he may think fit with any of the Australian Governments, and with the Government of New Caledonia; and all sums payable under such arrangements shall be equally divided between the Government of New Zealand and the Contractors.

16. The Contractors shall not, nor shall any person or persons with their consent or concurrence, run any steam vessel to New Caledonia, or to any of the Australian Colonies, except from a port in New Zealand; and no mails whatever shall be carried on board any such steam vessel or branch steam vessel running from New Zealand, except with the consent of the Postmaster-General in writing first obtained.

17. The days and hours of departure for the vessels employed under this contract shall be those specified in a table to be furnished by the Postmaster-General: Provided that the Postmaster-General may from time to time alter such days and hours on giving reasonable notice to the Contractors of the required alteration, provided that no such alteration shall render necessary the employment of an additional steam vessel, except as is herein provided; and the altered days and hours shall be observed and kept as if the same had been provided for in this contract, and the contractors shall pay the sum of two pounds per hour for every hour's delay in the departure of any vessel after the specified time.

18. The Postmaster-General shall pay to the Contractors the sum of two pounds per hour for every hour that any mail shall be ready for delivery in the Port of Auckland or San Francisco less than the con-

tract time; and the Contractors shall pay to the Postmaster-General the sum of two pounds per hour for every hour that shall be required for delivery of any mail in Auckland or San Francisco in excess of the contract time; but if good cause for any such excess be shown to the Postmaster-General, the payment in respect thereof may be remitted at his discretion.

19. In respect to the steamer to be run from Auckland to Sydney, it shall be lawful for the Postmaster-General to declare that in addition to the provision made in the preceding clause for the Ports of Auckland and San Francisco, a similar provision shall apply to the delivery of mails in the Ports of Sydney and San Francisco; and in such case, this contract shall be read as though there had been inserted herein an additional clause, in the same words as the preceding clause, substituting throughout the word "Sydney" for Auckland.

20. All sums payable to the Contractors by way of subsidy shall be paid by monthly instalments, immediately prior to the departure of each steam vessel on her return voyage from Auckland to San Francisco, to an Agent to be appointed by the Contractors to receive the same; and if default shall be made in the payment of any such instalment at the appointed time, the Contractor shall be entitled to receive as liquidated damages the sum of one hundred pounds, and an additional sum of one hundred pounds for every month during which such instalment shall remain unpaid.

21. All payments of premiums for the delivery of mails in less than the contract time, and of sums by way of penalty for delay in the delivery of mails, as for other breaches of this contract, shall be adjusted every twelve months, and the balance paid accordingly: Provided that all sums so payable to the Government of New Zealand may be deducted from any sum due to the Contractors by way of subsidy.

22. No mails whatever to or from any of the Colonies of Australia, or to or from New Caledonia, except as hereinbefore provided, shall be received on board or carried in any of the steam vessels employed under this contract without the written consent of the Postmaster-General; and for every breach of this stipulation with the consent or connivance or through the negligence of the Contractors, they shall forfeit the sum of five hundred pounds as liquidated damages, to be deducted from any sums then due or to become due by way of subsidy under this contract.

23. In pursuance of the Postal Convention existing between the United States Government and the Colonial Government of New Zealand, and in order to insure reasonable contributions from the Australian Colonies and New Caledonia for mail services to be performed for them, neither the Postmaster-General nor the Contractors, without the joint consent of both parties, shall or will transmit or permit to be transmitted, and will use their best endeavours to prevent the transmission of all mails to or from any of the Australian Colonies, or to or from New Caledonia, unless such Colony or New Caledonia respectively shall enter into arrangements with the Postmaster-General, as provided by clause 15; and in case of any wilful breach of this stipulation, the party breaking the same shall forfeit and pay to the other the sum of five hundred pounds as liquidated damages.

24. The Contractors shall abide by and conform to any regulations that may be made jointly by the United States Post Office authorities and the Postmaster-General for the prevention of colonies not contributing to the subsidies payable from participating indirectly in the advantages of the mail service established under this contract.

25. The term "all mails," throughout this Contract, shall be taken to mean all letters, newspapers, books, printed papers, and other things usually transmitted by post, and the boxes, bags, and packages in which the same are enclosed, and also all empty boxes, bags, and packages, and other stores and articles used in carrying on the Post Office service, which shall be sent to or from any Post Office; and no letters, newspapers, or printed papers other than books, shall be carried in any form or manner other than as mails, without the consent of the Postmaster-General; but this shall not apply to letters from the Contractors to their agents: and for every breach of this stipulation the Contractors shall pay the sum of one hundred pounds, which may be deducted from any sum then or thereafter payable to them.

26. The Contractors shall provide, to the satisfaction of the Postmaster-General, on board all steam vessels employed under this Contract, proper, safe, and convenient places of deposit for the mails, with locks, keys, and secure fastenings.

27. The Contractors shall also provide, to the satisfaction of the Postmaster-General, all necessary and suitable accommodation, including lights, for the purpose of sorting and making up the mails on board the several steam vessels employed under this Contract; and on being required to do so by the Postmaster-General, shall or will, at their own cost, erect or set apart on each of the said vessels, a separate and convenient room for such purposes. The master or commander of each of the said vessels shall also, if required, provide assistance for conveying the mail between the mail room and the sorting room.

28. If the Postmaster-General shall think fit to intrust the charge and custody of the mails to the master or commander of any vessel to be employed under this Contract, and in all cases where the officer or other person appointed to have charge of the mails shall be absent to the knowledge of the master or commander of such vessel, such master or commander shall, without any charge other than that herein provided to be paid to the Contractors, take due care of, and the Contractors shall be responsible for the receipt, safe custody, and delivery of, the said mails.

29. The Contractors shall at their own expense deliver and take all mails to and from the Post Office in San Francisco, and the Postmaster-General shall cause all mails in New Zealand and Sydney to be delivered at or taken from the ship's side, and such delivery shall be taken within two hours after arrival at the appointed place of delivery.

30. The Contractors, and all commanding and other officers in charge of the vessels employed under this Contract, 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 mails, subject to the special provisions herein contained, and so far as such orders and directions are reasonable and consistent with the safety of the vessels.

31. The Contractors shall have no claim to any postage, nor to any payment on account thereof, for mails carried under this contract, except as herein provided.

32. The Contractors shall provide suitable first-class accommodation for a mail officer or agent and one assistant on board each of the vessels employed under this contract, who shall be at liberty to use such accommodation as may be required for the performance of their duties; and such officer or agent and assistant shall be victualled by the Contractors, as chief cabin passengers, without charge either for their passages or victualling.

33. Every such mail officer or agent and assistant shall be recognized and treated by the Contractors, their officers and agents, 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 contract: Provided that no such agent, officer, or assistant shall have power to control or interfere with any commander or officer in the performance of his duty; and every such agent, officer, and assistant shall be subject to all general orders issued by the master or commander for the good order, health, and comfort of the passengers and crew.

34. If the Postmaster-General, or his officers or agents, shall at any time deem it requisite for the public service that any vessel should be detained beyond the appointed time of departure, it shall be lawful for the Postmaster-General, his officers or agents, to order such delay—not exceeding forty-eight hours at San Francisco, and not exceeding twenty-four hours at one port in New Zealand, and not exceeding twenty-four hours in Australia—by letter addressed to and delivered to the commander of the vessel, or the person acting as such, or left for him on board the vessel, three hours at least before the hour appointed for departure; and in order to insure the due carrying of the mail from San Francisco, the Contractors without any such notice shall delay any vessel (if necessary) forty-eight hours, to await the arrival of the mail there from New York, and in every such case the number of hours during which such vessel shall be so detained shall be added to the contract time.

35. The Contractors shall have power to assign this contract to a Company already or intended to be established by them, for the purpose of taking over and carrying out the same; but this Contract, or any part thereof, shall not be otherwise assigned, underlet, or disposed of by the Contractors, or by the Company to whom the same may be assigned, without the consent in writing of the Postmaster-General first obtained for such purpose.

36. In case this contract is assigned, underlet, or disposed of, otherwise than in accordance with the provision hereinbefore contained, or in case of any wilfully gross or habitual breach of the same or any part thereof, or of any covenant, matter, or thing herein contained, committed by or on behalf of the Contractors, their agents or servants, and whether there be or be not any penalty or sum of money payable by the Contractors for any such 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 in New Zealand, to determine this contract on giving three months' previous notice of his intention to do so to the Contractors or their agents, and the Contractors shall not be entitled to any compensation in respect of such determination.

37. During the continuance of this contract, and so long as the same shall be faithfully carried out by the Contractors, no charge for pilotage, lighthouse dues, wharfage, harbour dues, or other dues, taxes, or imposts, shall be made at any port in New Zealand for any of the steam vessels employed in carrying out this contract; and the Government of New Zealand will use their best endeavours to obtain for the Contractors similar exemptions at the Port of Sydney, and, if necessary, at the Port of Melbourne and at New Caledonia.

38. If the Contractors shall refuse or wilfully neglect to commence the mail service provided by this contract, or, having commenced the same, shall refuse or wilfully neglect to carry on the same, they shall be liable to pay to the Postmaster-General, on behalf of the Government of New Zealand, the sum of twenty-five thousand pounds as liquidated damages.

39. The Contractors shall use their best endeavours to procure the mails carried under this contract to be taken from San Francisco to London, and from New York to San Francisco, free from charge, under the Postal Convention between Great Britain and the United States; and so long as this freedom of charge shall not exist, the Postmaster-General shall deduct from the payments to be made to the Contractors, a sum at the rate of one thousand pounds per annum.

40. In order to encourage trade between the United States and the Australasian Colonies, the Contractors will use their best endeavours to obtain from the United States Government and Legislature a concession that *Phormium tenax* fibre, the produce of New Zealand, and wool, the produce of New Zealand, and of any other of the colonies that may make arrangements with the Postmaster-General for the carriage of mails under this contract between San Francisco and Australia, shall be admitted duty free into the United States.

41. It shall be lawful for the Postmaster-General, by writing under his hand, at any time and from time to time to delegate any of the powers vested in him by virtue of this contract to such person or persons as he may think fit.

42. The Contractors shall enter into a bond to the Postmaster-General, with two sufficient sureties to be approved of by him, in the penal sum of twenty-five thousand pounds, conditioned for the due performance of this contract.

In witness whereof the said parties have hereunto set their hands and seals the day and year first above written.

Signed, sealed, and delivered by the above-named Julius Vogel,
in the presence of—W. GRAY,
E. FOX.

(L.S.)

JULIUS VOGEL,

W. H. WEBB,
BEN HOLLADAY

(L.S.) (By their agent, J. B. M. STEWART).

Signed, sealed, and delivered, for and in behalf and in the names of the above-named W. H. Webb and Ben. Holladay, in the presence of—
W. GRAY,
E. FOX.

Enclosure 2 in No. 85.

Mr. J. B. M. STEWART to the Hon. JULIUS VOGEL.

SIR,—

Honolulu, 26th January, 1871.

I beg to inform you that I arrived here on my way to New Zealand and Australia, with a view to contract for a monthly mail service between San Francisco and the Colonies; but finding you here, I take the liberty of addressing you upon the subject.

Without entering into the question of Mr. Neilson's authority to contract with you, I am willing to enter into a contract, taking the former as a basis with certain modifications, but must express my objections, in the strongest terms, to that part which provides for the continuance of the same from Auckland to Port Chalmers, and am prepared to accept of a very much less subsidy if this service to Port Chalmers is abandoned. I would likewise insist that some definite route should be fixed upon, instead of having four optional lines, as stated in the contract referred to.

I am also willing to extend the line to Sydney or Melbourne, if required, and would prefer a contract wherein the contractor would participate in the subsidy paid by the Australian Governments.

I shall be glad to hear from you at your earliest convenience.

I have, &c.,

W. H. WEBB,

By his Attorney in fact,

J. B. M. STEWART.

The Hon. Julius Vogel,
Postmaster-General of New Zealand.

Enclosure 3 in No. 85.

The Hon. JULIUS VOGEL to Mr. J. B. M. STEWART.

SIR,—

Honolulu, 26th January, 1871.

I have the honor to acknowledge the receipt of your letter of this day's date, in which you inform me that you have arrived here on your way to New Zealand and Australia, for the purpose of negotiating a monthly mail service between San Francisco and the Colonies, but that finding me here you preferred to address me on the subject; and in which you also state that you are willing, as attorney for Mr. W. H. Webb, to discuss with me the terms of a contract on the basis of the agreement made by me in New Zealand with Mr. Neilson, but you specify grounds of objection to certain points of that agreement. Enclosure No. 2.

In reply, I have to say, that whilst I claim the right to enforce the agreement made with Mr. Neilson, on behalf of Holladay and Brenham and the North Pacific Transportation Company, I shall be prepared, without prejudice to the validity of that agreement, to discuss with you, on my way to San Francisco—to which place I would suggest you should return—any of the modifications of the agreement which you state you consider essential, and to which I may feel myself at liberty to agree.

I must, however, at once inform you that it is quite impossible I can consent to any modifications in the prescribed route of the contract vessels which would have the effect of reducing the number of ports of call in New Zealand, that part of the arrangement being simply in conformity with the express terms of the resolutions on the subject adopted by the House of Representatives.

In other respects, so far as the interests of New Zealand will permit me to do so, I shall be glad to consult Mr. Webb's wishes; but as I have already entered into a contract, you will see that it is only right, before I consent to any modifications of it, that you should indemnify me for doing so, and undertake that the parties to it, other than myself, will submit to any fresh arrangements I make with you.

J. B. M. Stewart, Esq.

I have, &c.,

JULIUS VOGEL.

Enclosure 4 in No. 85.

Mr. J. B. M. STEWART to the Hon. JULIUS VOGEL.

SIR,—

At sea, on board the p.s. "Moses Taylor,"

Between Honolulu and San Francisco, 29th January, 1871.

In reply to the request of your letter of the 26th instant, that in case you consent to any modifications in the contract you made with Mr. Neilson, on behalf of Messrs. Holladay and Brenham and the North Pacific Transportation Company, I would indemnify you for doing so, and undertake that the parties to the contract, other than yourself, will submit to any fresh arrangements I make with you, I have to say that I represent Mr. W. H. Webb and Mr. B. Holladay, who are the owners of the steamers referred to in the contract; and that I undertake on their behalf to procure the consent of the parties to the contract, other than yourself, to any fresh contract I make with you, and to indemnify you against any claims that may be recoverable against you on account of your making such fresh contract. Enclosure No. 3.

I also agree to see that any actual pecuniary liabilities incurred for coals ordered on account of that contract, or for advertisements of the steamers, shall be paid.

I have, &c.,

J. B. M. STEWART,

Agent for W. H. Webb and Ben Holladay.

The Hon. Julius Vogel.

FURTHER PAPERS RELATIVE TO THE

Enclosure 5 in No. 85.

MR. J. B. M. STEWART to the Hon. JULIUS VOGEL.

At sea, on board the p.s. "Moses Taylor,"
Between Honolulu and San Francisco, 6th February, 1871.
SIR,— In accordance with the verbal arrangement made between us, I agree, on behalf of Mr. W. H. Webb and Mr. B. Holladay, that the contract steamers, when passing, shall lay-to in Hawke's Bay to deliver and receive mails on board to and from Napier; provided that if Mr. W. H. Webb and Mr. B. Holladay do not agree to do so, £2,000 a year shall be deducted from the contract price you have agreed to pay.

The Hon. Julius Vogel.

I have, &c.,
J. B. M. STEWART
(for W. H. Webb and Ben Holladay).

Enclosure 6 in No. 85.

Captain TROUTON to the Hon. JULIUS VOGEL.

Auckland, 7th January, 1871.
SIR,— Should you find yourself in a difficulty in getting forward your April mail from New Zealand to Honolulu, I will have pleasure in providing you with a vessel for that purpose, should the same be within my power, and should your Post Office Department advise me in time.
It is understood that the New Zealand Government pay the A.S.N. Co. the expenses of the voyage, and any reasonable sum for the undertaking.

The Hon. Julius Vogel.

I have, &c.,
FRED. H. TROUTON.

Enclosure 7 in No. 85.

The Hon. JULIUS VOGEL to Mr. H. H. HALL.

Enclosure No. 6. SIR,— San Francisco, 13th February, 1871.
Before I left New Zealand, the Manager of the A.S.N. Co. gave me to understand that if I required the mail service to Honolulu to be continued for a month, he would find me a vessel. As the new service will be delayed for a month, I desire to arrange for the carriage of the April mail, and if you prefer to make the arrangement with me, I am confident the A.S.N. Co. will render you every facility in carrying it out.
I am prepared to give you £1,250 for the conveyance of the April mail to Honolulu; to leave Auckland on the 7th April, and to arrive at Honolulu by the 25th.

H. H. Hall, Esq.

I have, &c.,
JULIUS VOGEL.

Enclosure 8 in No. 85.

Mr. H. H. HALL to the Hon. JULIUS VOGEL.

SIR,— San Francisco, 13th February, 1871.
I agree to carry the April mail from New Zealand to Honolulu, in terms of your letter to me of this day's date, viz. :—To receive £1,250 for the service; to leave Auckland on the 7th April, and to arrive at Honolulu not later than the 27th.

The Hon. Julius Vogel.

I have, &c.,
H. H. HALL.

Enclosure 9 in No. 85.

The Hon. JULIUS VOGEL to Captain TROUTON.

Enclosures Nos. 7 and 8. SIR,— San Francisco, 13th February, 1871.
I enclose to you copy of correspondence with Mr. H. H. Hall, from which you will see that he has agreed to carry the April mail from New Zealand to Honolulu. I thought it best to make an arrangement in that way, because, although you agreed to find me a vessel for the purpose, if one should be needed, you gave me to understand that you might have to consult Mr. Hall before you could set apart one of your large vessels for the purpose.
I will write by this mail to Messrs. Roxburgh, Slade, and Spain, requesting them, should you not consider the arrangement in its present shape to be sufficiently explicit, to place the matter upon a footing that will be satisfactory to you.

Captain Trouton, General Manager, A.S.N. Co., Sydney.

I have, &c.,
JULIUS VOGEL.

Enclosure 10 in No. 85.

The Hon. JULIUS VOGEL to Messrs. ROXBURGH, SLADE, and SPAIN.

Enclosures Nos. 7 and 8. GENTLEMEN,— San Francisco, 13th February, 1871.
I have the honor to enclose to you copy of correspondence, from which you will see that I have arranged with Mr. H. H. Hall for the carriage of the April mail from New Zealand to Honolulu

and that a copy of the letters which have passed between myself and Mr. Hall has been sent to the A.S.N. Co.

As it is absolutely necessary that a steamer should run with our April mail, I have the honor to state that, should there be any difficulty as to carrying out the arrangement, I trust to your discretion in making such further concession on the part of the New Zealand Government as you may consider advisable; or, should Mr. Hall be unable to perform his engagement, and should the A.S.N. Co. (which I do not at all anticipate) absolutely decline to send a vessel, you are hereby authorized to arrange for the charter of a suitable steam-boat on the best terms you can secure.

Messrs. Roxburgh, Slade, and Spain, Sydney.

I have, &c.,
JULIUS VOGEL.

Enclosure 11 in No. 85.

MEMORANDUM by the Hon. JULIUS VOGEL to the ACTING POSTMASTER-GENERAL.

As the contract for the Interprovincial Mail Service terminates in March, and the first steamer under the new contract does not arrive at Auckland until the 25th of April, it will be necessary to make arrangements for conveying the mails between the Southern Ports and Auckland for the month of April, which will be brought from Honolulu to Auckland by the "City of Melbourne" about the 12th of the month. The outward steamer will leave Auckland with the mails on the 7th of April, and the inward steamer will be due at that port on the 12th.

The "Nevada" will be due at Auckland on the 25th of April, and Captain Kennedy should be informed that he will require to be in readiness a few days previous to that date to take charge, as has been previously arranged.

JULIUS VOGEL.

Enclosure 12 in No. 85.

The Hon. JULIUS VOGEL to Messrs. ROXBURGH, SLADE, and SPAIN.

GENTLEMEN,—

Honolulu, 26th January, 1871.

I omitted to write to you from Auckland to inform you that, at Mr. H. H. Hall's urgent request, No. 76 of this I had agreed to return to him the £500 which he had deposited as security for the performance of series. his contract, and also that I had given to him an order on the New South Wales Government to receive the full amount of their subsidy.

I am not altogether satisfied with the way in which Mr. Hall has received this token of consideration on the part of the New Zealand Government; and it occurs to me that if, as I think very probable, you find it necessary, in order to induce the A.S.N. Co. to run the last boat from Sydney, starting on the 28th February or the 1st March, to guarantee to them the payment of £1,000 in April on the vessel's return, we shall be over-paying Mr. Hall on the total amount of his contract by £1,000.

As I wrote to you before, I am quite prepared you should do this rather than that no vessel should be started. But whilst doing so, if you can manage so that we should have a legal claim upon Mr. Hall for the recovery of the £1,000, I think it would be well that you should place the matter upon that footing, leaving it to the option of the Government afterwards to enforce such recovery.

Messrs. Roxburgh, Slade, and Spain, Sydney.

I have, &c.,
JULIUS VOGEL.

No. 86.

Mr. ELIOTT ELIOTT to Mr. JOHN MARTIN.

SIR,—

General Post Office, Wellington, 21st March, 1871.

I am directed by the Acting Postmaster-General to inform you that the Postmaster-General has made an arrangement with Messrs. Webb and Holladay for the commencement of a new postal service *via* San Francisco, under which the first steamer will reach Auckland on the 25th of April. Meanwhile he has made an arrangement with Mr. Hall for maintaining the present service for the month of April. The outward steamer will leave Auckland with the mails for Honolulu and San Francisco on the 7th of April, and the inward steamer will be due at that port on the 12th of that month from those ports.

I have to request that you will continue to perform the present Interprovincial Service at the present rate of subsidy during the temporary arrangements with Mr. Hall.

The time table will be as usual, viz., leave the Bluff, 30th March; Port Chalmers, 1st April; Lyttelton, 2nd; Wellington, 3rd (midnight); Picton, 4th; Nelson, 4th; Taranaki, 5th; and arrive at Manakau, 6th.

John Martin, Esq., Wellington.

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

No. 87.

Mr. JOHN MARTIN to the Hon. the POSTMASTER-GENERAL.

SIR,—

Wellington, 21st March, 1871.

I have the honor to acknowledge the receipt of your letter of this date, in reference to the No. 86 of this continuance of the present Interprovincial Mail Service connected with the San Francisco route. In series. reply, I beg to state that I am prepared to perform the service required for three months, as verbally

arranged with yourself, at the same subsidy as hitherto granted to Mr. Henderson and myself, and have therefore instructed Captain Worsp, commander of the "Phœbe," to take up the service at the Bluff on the 30th instant, in accordance with your time-table.

The Hon. the Postmaster-General.

I have, &c.,
JOHN MARTIN.

No. 88.

Mr. ELIOTT ELIOTT to Mr. JOHN MARTIN.

SIR,—

General Post Office, Wellington, 24th March, 1871.

No. 87 of this series.

I have to acknowledge the receipt of your letter of the 21st instant, and to request you will favour me with a reply to mine of the same date, and state whether you are prepared to carry out the specified mail service for the month of April, without reference to any conversation which may have taken place between the Hon. the Acting Postmaster-General and yourself.

John Martin, Esq., Wellington.

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

No. 89.

Mr. JOHN MARTIN to the Hon. the ACTING POSTMASTER-GENERAL.

SIR,—

Wellington, 25th March, 1871.

No. 88 of this series.

I have the honor to acknowledge receipt of your letter dated 24th instant, in reference to the mail service specified in your previous letter of the 21st instant. I have the honor to state that I am prepared to continue the performance of the present Interprovincial Service at the existing rate of subsidy, £600 per month, during the temporary arrangement with Mr. Hall, and have instructed Captain Worsp, of the steamship "Phœbe," to commence the service at the Bluff on the 30th instant.

I have, &c.,

The Hon. the Acting Postmaster-General.

JOHN MARTIN,
Per G. SCHWARTZ.

No. 90.

The Hon. JULIUS VOGEL to the Hon. the PREMIER.

SIR,—

New York, 7th March, 1871.

I have the honor to enclose to you the Contract for the Californian, New Zealand, and Australian Mail Service, as signed by Mr. W. H. Webb, and Mr. Ben. Holladay by his attorneys, Mr. Webb and Mr. Otis. The contract is substantially the same as that of which, when at San Francisco, I advised you by the last mail.

I have made the best provision the contractors were willing to grant for the vessels calling at Napier to deliver and receive mails. I found it advisable to consent that the branch boat to be run from Auckland to Sydney should be described as of not less than 1,000 tons register British measurement, as proposed in Mr. Neilson's contract, instead of, as proposed by Mr. Stewart, her being of larger size.

The contractors agree not to call at the Fiji Islands, and I have allowed them, as I advised you by last mail I had agreed to do, twenty-four hours extra for the voyage. It is necessary that the boats should be, for at least that time, at the port of call in the Sandwich Islands for coaling purposes; and making that allowance, the service will be performed at a rate of speed considerably over ten knots per hour. The other alterations in the contract as made with Mr. Stewart are comparatively immaterial.

Such alterations as have been made were forced upon me. Without entering into elaborate details, I may assure you that it has been a very difficult task to get the contract completed. Mr. Webb, who throughout my negotiations with him has acted for Mr. Ben. Holladay as well as for himself, and whom, therefore, I alone mention, was far from recognizing the obligation to accept either the contract made with Mr. Neilson or that made with Mr. Stewart. It is true, I might have insisted upon the right of the Government to demand the fulfilment of the exact letter of the contract, especially that one made by Mr. Stewart; but for many reasons I deemed a policy of conciliation desirable. Whatever concessions I have made were virtually insisted upon by Mr. Webb, as a condition of his signing the contract; and in most cases they were met by concessions on his part. On the whole, I am of opinion that the contract as it now stands is as favourable, or I should say as suitable, to New Zealand as was the contract originally agreed to with Mr. Neilson, or as that agreed to with Mr. Stewart. Indeed, I believe that the contract as settled is one that will work better than that agreed to with Mr. Neilson; and that the few points of difference between it and the agreement with Mr. Stewart are such as are likely to prove to be quite in accordance with the interests of New Zealand.

I am sorry to have to report that the Bill for granting a subsidy to the line has not passed through Congress. It will be understood that the disappointment felt by Mr. Webb, consequent upon the rejection of the Bill, was such as to make it necessary to exercise the most careful discretion and judgment in my negotiations with him, so as to avoid offering him any temptation to discover an excuse for throwing up the affair altogether, or indefinitely postponing it.

Enclosure No. 2 of this letter.

After I had so far concluded with Mr. Webb that nothing remained but to cause the memorandum of agreement to be engrossed for execution, I received a letter (which I forward by Mr. Gray) from the Pacific Mail Steamship Company, which led to a long interview with the writer, who is the President of the Company. I had, of course, to explain to him that I was not open to make any arrangement with his Company, because I had already made one with Mr. Webb and Mr. Holladay.

It would be idle to speculate upon what might have been the result had I been able to negotiate with the Pacific Company. But to prevent the creation of any false impression, I may state my

opinion that the boats of that Company are too large, and that they are not of sufficient speed, to render it possible that we could have arranged with the Company for the performance of a service such as that for which we have now contracted. I may also venture to express the opinion that the object of the Company in opening the question was not so much to contract for a service to New Zealand and Australia, as to retaliate upon Mr. Webb for what was conceived to be opposition on the part of that gentleman to the Company's Bill before Congress, by which it was proposed to extend the service to China and to double the Company's subsidy. I am of opinion that the Company desired to create the impression that it was intended to withdraw from their Panama Service, which is looked upon by the trans-continental railway interest as an opposition service; and in Congress the railway interest is very powerful. It is quite likely that the Pacific Company will send an agent to Australia; but I am of opinion that he will not be empowered to enter into an arrangement for any service such as would be likely to command the approval of the Colonies.

Mr. Gray has rendered me most valuable assistance throughout the negotiations, and has made me feel very pleased that he accompanied me. He will be able to explain details to which I may not have referred; and he will also explain that some amount of indulgence or accommodation may be necessary for two or three months, until the contractors can bring the service into full and satisfactory working condition.

In the memorandum sent to you last month I explained that I regretted I had found it absolutely necessary to concede to Mr. Stewart the power to take the main-line boats direct from Auckland to Sydney during the first twelve months. I think it quite likely Mr. Webb will not take advantage of that power; and as an inducement to him not to do so, I have agreed that, for one trip only, in order to show the people of New South Wales the class of steamers he intends to run, he may take the boat from Auckland to Sydney, without providing a branch boat of similar character to run from Auckland to Port Chalmers, and to perform the next voyage from Port Chalmers to San Francisco. In fact, for one service, arrangements will have to be made to do the coastal work by means of a local boat. I deemed it advisable to make this concession because, as was represented by Mr. Webb, it might assist us in obtaining a better subsidy from New South Wales; and because, as before stated, I thought it likely this concession as to one month might lead to the other concession as to twelve months not being taken advantage of. In order to run the main-line boat to Sydney each trip during a year, the contractors would have to employ a fourth large vessel. But as the contract now stands, they may run a branch boat of 1,000 tons to Sydney; and it is probable they will prefer this to keeping up a fourth large boat. It is not improbable that the contractors, in addition to making connection between Auckland and Sydney, will endeavour to do the same between Wellington and Melbourne or Port Chalmers and Melbourne, or both.

In the absence of Mr. Holladay, who left for Oregon the day after I arrived in Washington, there has been some little difficulty as to surety bonds. Mr. Webb has represented to me that in all his various other contracts with Governments, whether for postal services or shipbuilding, he has never been called upon to find sureties; and that he does not now find it pleasant, for the first time, to ask any one to enter into bond for him. I have thought it better, rather than create a difficulty, to accept Mr. Webb and Mr. Holladay jointly, in lieu of one of the bondsmen, their liability to survive, and to be quite independent of their assigning the contract to a company. Mr. Webb, also by letter, undertakes, within four months, to produce another bondsman, to be approved of by the British Consul here, and the lawyer who is acting for me, who was recommended to me by the Consul.

In conclusion, I may express my very great gratification that, after months of most arduous and difficult negotiation, I have succeeded in bringing this matter to a conclusion which I think the Government and the Assembly cannot fail to deem exceedingly satisfactory. I am of opinion that after a time, when the subsidies fairly payable by other colonies are received, the California Mail Service, including the coastal service, will cost New Zealand very little, if anything, more than has been paid for the service *via* Suez.

I have not been unmindful of that most important matter for New Zealand, the procuring the free admission into the United States of the wool and flax of the Colony, and the wools of the neighbouring Colonies. I am glad to say that the matter has been cordially taken up in influential quarters, and that I have strong hopes that, in the course of a few months, most valuable results will follow. It may be that the free admission of our wools into the United States cannot be secured; but at any rate, I anticipate that before long New Zealand and Australian wools will be admitted at the minimum rates of duty, 3 cents per pound, now charged upon low classes of wool, such as those imported from South America, and that some concession will be made in favour of New Zealand flax.

The Hon. the Premier, New Zealand.

I have, &c.,
JULIUS VOGEL.

Enclosure 1 in No. 90.

WEBB and HOLLADAY's Contract.

MEMORANDUM OF AGREEMENT made this seventh day of March, one thousand eight hundred [and seventy-one, at New York, in the United States of America, between the Honorable JULIUS VOGEL, the Postmaster-General of New Zealand, and a Member of the Executive Council of the Colony, acting on behalf of the Government of New Zealand, and hereinafter called the Postmaster-General, for himself as such Postmaster-General and for his successors in office, of the one part, and WILLIAM H. WEBB, Esquire, of New York, in the United States of America, Shipowner, and BEN HOLLADAY, Esquire, of New York, in the United States of America, hereinafter called the Contractors, for themselves, their heirs, executors, administrators, and assigns, of the other part, WITNESSETH that each of the parties doth severally contract, promise, and agree with and to the other parties respectively in manner following, that is to say:—

1. The Contractors shall and will establish a line of mail steam vessels to be called "The United States, New Zealand, and Australia Mail Steamship Line," to run between the Port of San Francisco

and New Zealand, to commence at San Francisco on the eighth day of April, in the year one thousand eight hundred and seventy-one, and to be continued for the term of ten years: Provided that it shall be lawful for the Postmaster-General to determine this contract at the end of three years if the General Assembly of New Zealand shall refuse to ratify the same for a longer time, and notice of such refusal shall have been given in writing to the Contractors, or left with their agent in Wellington, hereby authorized to receive the same, within six calendar months after the first steam vessel under this contract shall arrive at Wellington.

2. The Government of New Zealand shall and will use their best endeavours to obtain from the General Assembly a ratification of this contract for the full period of ten years.

3. The steam vessels to be employed under this contract shall be the "Nevada," the "Nebraska," the "Dacotah," the "Moses Taylor," and such other vessel or vessels, including the "Santiago de Cuba," as may be required for carrying out the contract, and as shall be approved of by the Postmaster-General: Provided that the "Moses Taylor" shall be used only in cases of emergency, no other of the said vessels being available, and that the "Santiago de Cuba" shall be used only if a vessel in addition to the "Nevada," the "Nebraska," and the "Dacotah" shall be required for the performance of the contract services, in which case, but not otherwise, the Postmaster-General agrees to accept the said vessel for a period of twenty-four months and no more, on condition that she shall be thoroughly repaired in every particular to the satisfaction of Mr. Robert Mackie, Lloyd's Agent at the Port of New York; and if any of the said vessels shall be lost or become unserviceable, another vessel or vessels, to be approved of in writing by the Postmaster-General, shall be substituted.

4. It shall be lawful for the Contractors to substitute other vessels for those named, provided that such substitution shall be previously assented to in writing by the Postmaster-General.

5. The steam vessels to be from time to time employed in the performance of this contract shall be always fitted out, furnished and provided with every requisite for rendering them constantly efficient for the service in every particular, as first-class mail and passenger steam vessels.

6. One of the vessels to be employed under this contract shall leave San Francisco once in every twenty-eight days, and shall proceed thence to Port Chalmers, by way of and calling at Auckland, Wellington, and Lyttelton, in New Zealand; and one of the said vessels shall leave Port Chalmers once in every twenty-eight days, and shall proceed to San Francisco, by way of and calling at Lyttelton, Wellington, and Auckland.

7. In passing Hawke's Bay the vessels shall, weather permitting, call off Napier to deliver and receive mails to and from that place, the said mails to be delivered and received by a steam launch to be provided by the Postmaster-General.

8. The said steam vessels may call at two intermediate places, and no more, between Auckland and San Francisco, and between San Francisco and Auckland, and such two places may be at any of the Hawaiian, Society or Navigator Islands, as the Contractors may think fit and appoint; and such ports, after being appointed, may be altered from time to time by the Contractors, and other ports in other Islands substituted, with the consent of the Postmaster-General, but not otherwise.

9. The time (including a period not exceeding forty-eight hours for coaling at the Sandwich Islands, and all other stoppages) allowed for the voyage between San Francisco and Auckland, and Auckland and San Francisco, shall not exceed six hundred hours; and the Contractors shall use all possible diligence and despatch to depart from Auckland, and thereafter to perform the voyage between Auckland and Port Chalmers within one hundred and ten hours, including stoppages, and shall forfeit the sum of two pounds per hour for every hour's unnecessary delay.

10. The Contractors shall once in every twenty-eight days run a steamer in connection with the aforesaid steamers, between Auckland and Sydney, in the Colony of New South Wales, and between Sydney and Auckland; and if required so to do by the Postmaster-General, the Contractors shall, or at their own option they may, run the said steamer from Sydney to Melbourne, in the Colony of Victoria, and from Melbourne to Sydney and Auckland; but the Postmaster-General shall not require the said steamer to be run from Sydney to Melbourne, unless the Victorian Government agree to pay a subsidy of thirty thousand pounds per annum, which sum shall be equally divided between the Government of New Zealand and the Contractors.

11. The vessel to be employed between Auckland and Sydney, or between Auckland, Sydney, and Melbourne, as the case may be, as provided in the preceding clause, shall be in all respects equal in character to the vessels employed between San Francisco and Port Chalmers, and not less than one thousand tons register, British measurement, and shall be approved of by the Postmaster-General; and the whole time, including stoppages allowed for the voyage each way between San Francisco and Sydney shall not exceed seven hundred and forty-four hours.

12. For the service hereinbefore described, inclusive of the service between Auckland and Sydney, or between Auckland, Sydney, and Melbourne, as the case may be, the Contractors shall be paid by the Government of New Zealand at the rate of fifty thousand pounds for thirteen complete services to and from Port Chalmers and San Francisco, and to and from Auckland and Sydney, or Auckland, Sydney, and Melbourne, as the case may be; and all mails which the Postmaster-General shall require to be carried by the Contractors during the continuance of the contract shall be carried free of cost.

13. If during the first six months after the date fixed for the commencement of the contract service, the Contractors are unable to run the vessel from Auckland to Sydney, or from Auckland to Sydney and Melbourne, as hereinbefore provided in clauses 10 and 11, the payment to be made to the Contractors by the Government of New Zealand during that period shall be at the rate of forty thousand pounds for thirteen complete services, and not at the rate of fifty thousand pounds as hereinbefore provided; and the Contractors agree to start the said steamer not later than six months after the commencement of the contract service.

14. During the first thirteen complete services between San Francisco and New Zealand, each way, the Contractors may cause the vessel arriving at Auckland from San Francisco to be run from Auckland to Sydney, or from Auckland to Sydney and Melbourne: Provided that they have at Auckland one of the contract vessels mentioned in clause 3 to proceed to Wellington, Lyttelton, and Port

Chalmers; and provided further, that such vessel shall, on the next succeeding voyage, proceed from Port Chalmers to San Francisco by way of and calling at Lyttelton, Wellington, and Auckland.

15. After the completion of the first thirteen services between San Francisco and New Zealand, each way, the Contractors may at their option, twice during each twelve months, run the vessel arriving at Auckland from San Francisco to Sydney, or to Sydney and to Melbourne, in the same way as is provided by the preceding clause; but save and except as is provided by the preceding clause, and by this clause, the vessel arriving at Auckland from San Francisco shall proceed to Port Chalmers, and from Port Chalmers to San Francisco, as is provided by clause 6.

16. It shall be lawful for the Postmaster-General, but not for the Contractors, to make any arrangements he may think fit with any of the Australian Governments, and with the Government of New Caledonia; and all sums payable under such arrangements shall be equally divided between the Government of New Zealand and the Contractors: Provided that no such arrangements shall be held to compel the Contractors without their consent to perform any service not provided for by this agreement.

17. The Contractors shall not, nor shall any person or persons with their consent or concurrence, run any steam vessel to New Caledonia, or the Fiji Islands, or to any of the Australian Colonies, except from a port in New Zealand; and no mails whatever shall be carried on board any such steam vessel or branch steam vessel running from New Zealand, except with the consent of the Postmaster-General in writing first obtained.

18. The days and hours of departure for the vessels employed under this contract shall be those specified in a table to be furnished by the Postmaster-General: Provided that the Postmaster-General may from time to time alter such days and hours on giving reasonable notice to the Contractors of the required alteration, provided that no such alteration shall render necessary the employment of an additional steam vessel, except as is herein provided; and the altered days and hours shall be observed and kept as if the same had been provided for in this contract, and the contractors shall pay the sum of two pounds per hour for every hour's delay in the departure of any vessel after the specified time.

19. The Postmaster-General shall pay to the Contractors the sum of two pounds per hour for every hour that any mail shall be ready for delivery in the Port of Auckland or San Francisco less than the contract time; and the Contractors shall pay to the Postmaster-General the sum of two pounds per hour for every hour that shall be required for delivery of any mail in Auckland or San Francisco in excess of the contract time; but if good cause for any such excess be shown to the Postmaster-General, the payment in respect thereof may be remitted at his discretion.

20. In respect to the steamer to be run from Auckland to Sydney, it shall be lawful for the Postmaster-General to declare that in addition to the provision made in the preceding clause for the Ports of Auckland and San Francisco, a similar provision shall apply to the delivery of mails in the Ports of Sydney and San Francisco; and in such case, this contract shall be read as though there had been inserted herein an additional clause, in the same words as the preceding clause, substituting throughout the word "Sydney" for Auckland.

21. All sums payable to the Contractors by way of subsidy shall be paid by monthly instalments, immediately prior to the departure of each steam vessel on her return voyage from Auckland to San Francisco, to an Agent to be appointed by the Contractors to receive the same; and if default shall be made in the payment of any such instalment at the appointed time, the Contractor shall be entitled to receive as liquidated damages the sum of one hundred pounds, and an additional sum of one hundred pounds for every month during which such instalment shall remain unpaid.

22. All payments of premiums for the delivery of mails in less than the contract time, and of sums by way of penalty for delay in the delivery of mails, as for other breaches of this contract, shall be adjusted every twelve months, and the balance paid accordingly: Provided that all sums so payable to the Government of New Zealand may be deducted from any sum due to the Contractors by way of subsidy.

23. No mails whatever to or from any of the Colonies of Australia, or to or from New Caledonia, except as hereinbefore provided, shall be received on board or carried in any of the steam vessels employed under this contract without the written consent of the Postmaster-General; and for every breach of this stipulation with the consent or connivance of the Contractors, they shall forfeit the sum of five hundred pounds as liquidated damages, to be deducted from any sums then due or to become due by way of subsidy under this contract.

24. In pursuance of the Postal Convention existing between the United States Government and the Colonial Government of New Zealand, and in order to insure reasonable contributions from the Australian Colonies and New Caledonia for mail services to be performed for them, neither the Postmaster-General nor the Contractors, without the joint consent of both parties, shall or will transmit or permit to be transmitted, and will use their best endeavours to prevent the transmission of all mails to or from any of the Australian Colonies, or to or from New Caledonia, unless such Colony or New Caledonia respectively shall enter into arrangements with the Postmaster-General, as provided by clause 15; and in case of any wilful breach of this stipulation, the party breaking the same shall forfeit and pay to the other the sum of five hundred pounds as liquidated damages.

25. The Contractors shall abide by and conform to any regulations that may be made jointly by the United States Post Office authorities and the Postmaster-General for the prevention of colonies not contributing to the subsidies payable from participating indirectly in the advantages of the mail service established under this contract.

26. The term "all mails," throughout this Contract, shall be taken to mean all letters, newspapers, books, printed papers, and other things usually transmitted by post, and the boxes, bags, and packages, in which the same are enclosed, and also all empty boxes, bags, and packages, and other stores and articles used in carrying on the Post Office service, which shall be sent to or from any Post Office; and no letters, newspapers, or printed papers other than books, shall be knowingly carried in any form or manner other than as mails, without the consent of the Postmaster-General; but this shall not apply to letters from the Contractors to their agents: and for every breach of this stipulation the Contractors

shall pay the sum of one hundred pounds, which may be deducted from any sum then or thereafter payable to them.

27. The Contractors shall provide, to the satisfaction of the Postmaster-General, on board all steam vessels employed under this Contract, proper, safe, and convenient places of deposit for the mails, with locks, keys, and secure fastenings.

28. The Contractors shall also provide, to the satisfaction of the Postmaster-General, all necessary and suitable accommodation, including lights, for the purpose of sorting and making up the mails on board the several steam vessels employed under this Contract; and on being required to do so by the Postmaster-General, shall or will, at their own cost, erect or set apart on each of the said vessels, a separate and convenient room for such purposes. The master or commander of each of the said vessels shall also, if required, provide assistance for conveying the mail between the mail room and the sorting room.

29. If the Postmaster-General shall think fit to intrust the charge and custody of the mails to the master or commander of any vessel to be employed under this Contract, and in all cases where the officer or other person appointed to have charge of the mails shall be absent to the knowledge of the master or commander of such vessel, such master or commander shall, without any charge other than that herein provided to be paid to the Contractors, take due care of, and the Contractors shall be responsible for the receipt, safe custody, and delivery of, the said mails.

30. The Contractors shall at their own expense deliver and take all mails to and from the Post Office in San Francisco, and the Postmaster-General shall cause all mails in New Zealand and Sydney to be delivered at or taken from the ship's side, and such delivery shall be taken within two hours after arrival at the appointed place of delivery.

31. The Contractors, and all commanding and other officers in charge of the vessels employed under this Contract, 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 mails, subject to the special provisions herein contained, and so far as such orders and directions are reasonable and consistent with the safety of the vessels.

32. The Contractors shall have no claim to any postage, nor to any payment on account thereof, for mails carried under this contract, except as herein provided.

33. The Contractors shall provide suitable first-class accommodation for a mail officer or agent and one assistant on board each of the vessels employed under this contract, who shall be at liberty to use such accommodation as may be required for the performance of their duties; and such officer or agent and assistant shall be victualled by the Contractors, as chief cabin passengers, without charge either for their passages or victualling.

34. Every such mail officer or agent and assistant shall be recognized and treated by the Contractors, their officers and agents, 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 contract: Provided that no such agent, officer, or assistant shall have power to control or interfere with any commander or officer in the performance of his duty, and every such agent, officer, and assistant shall be subject to all general orders issued by the master or commander for the good order, health, and comfort of the passengers and crew, and the safety of the vessel.

35. If the Postmaster-General, or his officers or agents, shall at any time deem it requisite for the public service that any vessel should be detained beyond the appointed time of departure, it shall be lawful for the Postmaster-General, his officers or agents, to order such delay—not exceeding forty-eight hours at San Francisco, and not exceeding twenty-four hours at one port in New Zealand, and not exceeding twenty-four hours in Australia—by letter addressed to and delivered to the commander of the vessel, or the person acting as such, or left for him on board the vessel, four hours at least before the hour appointed for departure; and in order to ensure the due carrying of the mail from San Francisco, the Contractors without any such notice shall delay any vessel (if necessary) forty-eight hours, to await the arrival of the mail there from New York, and in every such case the number of hours during which such vessel shall be so detained shall be added to the contract time.

36. The Contractors shall have power to assign this contract to a Company intended to be established by them, for the purpose of taking over and carrying out the same; but this Contract, or any part thereof, shall not be otherwise assigned, underlet, or disposed of by the Contractors, or by the Company to whom the same may be assigned, without the consent in writing of the Postmaster-General first obtained for such purpose.

37. In case this contract is assigned, underlet, or disposed of, otherwise than in accordance with the provision hereinbefore contained, or in case of any wilfully gross or habitual breach of the same or any part thereof, or of any covenant, matter, or thing herein contained, committed by or on behalf of the Contractors, their agents or servants, and whether there be or be not any penalty or sum of money payable by the Contractors for any such 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 in New Zealand, to determine this contract on giving three months' previous notice of his intention to do so to the Contractors, or their agents, and the Contractors shall not be entitled to any compensation in respect of such determination: Provided that on the Postmaster-General giving notice that he proposes to determine the contract, he shall offer to the Contractors the alternative of an arbitration upon the whole ground of complaint, one arbitrator to be chosen by each party, the arbitrators to choose an umpire, if necessary, and their award to be binding upon both parties.

38. During the continuance of this contract, and so long as the same shall be faithfully carried out by the Contractors, no charge for pilotage, lighthouse dues, harbour dues, or other dues, taxes, or imposts, shall be made at any port in New Zealand for any of the steam vessels employed in carrying out this contract; and the Government of New Zealand will use their best endeavours to obtain for the Contractors similar exemptions at the Port of Sydney, and, if necessary, at the Port of Melbourne and at New Caledonia.

39. If the Contractors shall refuse or wilfully neglect to commence the mail service provided by this contract, or, having commenced the same, shall refuse or wilfully neglect to carry on the same, they shall be liable to pay to the Postmaster-General, on behalf of the Government of New Zealand, the sum of twenty-five thousand pounds as liquidated damages.

40. The Contractors shall use their best endeavours to procure the mails carried under this contract to be taken to and from San Francisco and New York free from charge, under the Postal Convention between Great Britain and the United States; and so long as the freedom of charge shall not exist, the Postmaster-General shall deduct from the payments to be made to the Contractors, a sum at the rate of one thousand pounds per annum.

41. In order to encourage trade between the United States and the Australasian Colonies, the Contractors will use their best endeavours to obtain from the United States Government a concession that *Phormium tenax* fibre, the produce of New Zealand, and wool, the produce of New Zealand, and of any other of the colonies that may make arrangements with the Postmaster-General for the carriage of mails under this contract between San Francisco and Australia, shall be admitted duty free into the United States.

42. It shall be lawful for the Postmaster-General, by writing under his hand, at any time and from time to time to delegate any of the powers vested in him by virtue of this contract to such person or persons as he may think fit.

43. The Contractors may carry mails and mail matter between the United States and the Hawaiian Islands, or between those Islands and New Zealand, on such terms as they may see fit, and may receive such payment by way of postage or subsidy as may be agreed to be paid therefor, and for this special service the Contractors alone shall receive pay. But no mails shall be carried under this contract between the said Islands and New Zealand, which do not originate in, or whose final destination shall not be, in said Islands.

44. The Contractors shall enter into a bond to the Postmaster-General, with two sufficient sureties to be approved of by him, in the penal sum of twenty-five thousand pounds, conditioned for the faithful performance of this contract.

45. It is hereby understood and agreed that wherever the word "pounds" is used in this agreement, pounds sterling, lawful money of the United Kingdom of Great Britain and Ireland, are meant.

46. This agreement is entered into by and is to bind the said William H. Webb and Ben Holladay, jointly and severally, both as co-contractors and as individuals.

In witness whereof the said parties have hereunto set their hands and seals the day and year first above written.

(L.S.)
(L.S.)
(L.S.)

JULIUS VOGEL.
W. H. WEBB.
BEN HOLLADAY

(by W. H. WEBB, Attorney).

Sealed and delivered in the presence of—

[The words "United States," on the 23rd line of the 1st page, "may," on the 30th line of the 3rd page, being written on erasure, and the words "shall be" on the 19th line, and "knowingly" on the 21st line of the 10th page, and the words "upon the whole ground of complaint" on the 26th line of the 14th page being, interlined before execution.]

(L.S.) F. F. MARBURY, junr.
(L.S.) W. GRAY.
(L.S.) J. B. M. STEWART.

United States of America. }
State of New York. }
City and County of New York. }

On this seventh day of March, in the year one thousand eight hundred and seventy-one, before me, Francis F. Marbury, junr., a Public Notary in and for the State of New York, duly commissioned and sworn, dwelling in the City of New York, personally came Julius Vogel and William H. Webb, to me personally known, and known to me to be the same persons described in and who executed the annexed agreement, and severally acknowledged to me that they executed the same: And at the same time the said William H. Webb acknowledged that he executed the said instrument also as the Attorney in fact of Ben Holladay, and executed the same as and for the act and deed of Ben Holladay therein described, for the purposes therein mentioned, under and by virtue of a Power of Attorney, duly executed and acknowledged by the said Ben Holladay, to him the said William H. Webb, bearing date the tenth day of February, in the year one thousand eight hundred and seventy-one.

Witness my hand and seal of office, at the City of New York aforesaid, the day and year last above written.

(L.S.)

F. F. MARBURY, junr.,
Notary Public, N.Y.

Her Britannic Majesty's Consulate, New York.

I, EDWARD MORTIMER ARCHIBALD, Esq., Companion of the Most Honorable Order of the Bath, Her Britannic Majesty's Consul,

DO HEREBY CERTIFY that F. F. Marbury, junior, Esquire, whose true signature and seal are respectively subscribed and affixed to the certificate hereunto annexed, was, on the day of the date thereof, a

FURTHER PAPERS RELATIVE TO THE

Notary Public in and for the State of New York, duly commissioned and sworn, to whose official acts faith and credit are due.

In witness whereof I do hereunto set my hand and seal of office, at the City of New York, this seventh day of March, in the year of our Lord, one thousand eight hundred and seventy-one.

By the Consul.
(L.S.) PIERREPONT EDWARDS,
Vice-Consul.

I HEREBY ratify and confirm the execution of the foregoing instrument as and for my act and deed.
Witness my hand and seal, this seventh day of March, 1871.

(L.S.) BEN HOLLADAY,
Per pro G. K. OTIS, Attorney.

Sealed and delivered in the presence of
(L.S.) F. F. MARBURY, junr.

United States of America. }
State of New York. }
City and County of New York. }

On this seventh day of March, in the year one thousand eight hundred and seventy-one, before me, Francis F. Marbury, junior, a Public Notary in and for the State of New York, duly commissioned and sworn, dwelling in the City of New York, personally came George K. Otis, the attorney in fact of Ben Holladay, known to me to be the individual described in, and who as such attorney executed the annexed instrument of ratification and confirmation, and acknowledged to me that he executed the same as and for the act and deed of Ben Holladay as aforesaid, for the purpose therein mentioned, under and by virtue of a certain Letter of Attorney, executed and acknowledged by him the said Ben Holladay to him the said George K. Otis, and bearing date the twenty-second day of February, in the year one thousand eight hundred and seventy-one.

Witness my hand and seal of office, at the City of New York aforesaid, the day and year last above written.

(L.S.) F. F. MARBURY, junr.,
Notary Public, N.Y.

KNOW ALL MEN by these presents, that we, WILLIAM H. WEBB and BEN HOLLADAY, of the City, County, and State of New York, in the United States of America, are held and firmly bound unto the Honorable JULIUS VOGEL, Postmaster-General of New Zealand, acting on behalf of the Government of New Zealand as such Postmaster-General, in the sum of twenty-five thousand pounds sterling, lawful money of the United Kingdom of Great Britain and Ireland, as liquidated damages, and not by way of penalty or otherwise, to be paid to the said the Honorable Julius Vogel, Postmaster-General, as aforesaid, or to his successor or successors in office, for which payment well and truly to be made, we bind ourselves, our heirs, executors, and administrators, jointly and severally, firmly by these presents.

Sealed with our seals. Dated this seventh day of March, in the year one thousand eight hundred, and seventy-one.

The condition of the above obligation is such, that if William H. Webb and Ben Holladay, of the City of New York, or either of them, their or either of their respective heirs, executors, administrators, or authorized assigns, shall well and truly keep and perform a certain contract in writing, bearing even date herewith, made and entered into by and between the said the Honorable Julius Vogel, Postmaster-General, as aforesaid, of the one part, and them the said William H. Webb and Ben Holladay of the other part, for the carrying of the Mails and for a Steam Service between San Francisco, New Zealand, and Australia, according to the true intent and meaning thereof, as by reference to said contract in writing may more fully appear, then the above obligation to be null and void and of no effect, and the obligors to be fully discharged therefrom. But if the said William H. Webb or the said Ben Holladay, or their representatives as aforesaid, or their said assigns, shall fail to keep and perform the said contract according to the true intent and meaning thereof, then the above-bounden William H. Webb and Ben Holladay, their heirs, executors, or administrators, shall pay or cause to be paid to the said the Honorable Julius Vogel, Postmaster-General, as aforesaid, or to his successor or successors in office for the time being, the above-mentioned sum of twenty-five thousand pounds sterling, as aforesaid, liquidated damages, and this obligation to remain in full force and effect.

(L.S.) W. H. WEBB.
(L.S.) BEN HOLLADAY
(by W. H. Webb, Attorney).

Sealed and delivered in the presence of
(L.S.) F. F. MARBURY, junr.
(L.S.) W. GRAY.
(L.S.) J. B. M. STEWART.

United States of America,
State of New York,
City and County of New York. }

On this seventh day of March, in the year one thousand eight hundred and seventy-one, before me, Francis F. Marbury, junior, a Public Notary in and for the State of New York, duly commissioned and sworn, dwelling in the City of New York, personally came William H. Webb, to me personally known to be the same person described in and who executed the foregoing Bond, and acknowledged that he executed the same. And at the same time, the said William H. Webb, as Attorney in fact of Ben Holladay, described in the said Bond, acknowledged that he executed the same as such Attorney as and for the act and deed of the said Ben Holladay, under and by virtue of a certain Letter of Attorney, bearing date the tenth day of February, one thousand eight hundred and seventy-one.

Witness my hand and seal of office, the day and year last above written, at the City of New York aforesaid.

(L.S.)

F. F. MARBURY, junr.,
Notary Public, N.Y.

Her Britannic Majesty's Consulate, New York.

I, EDWARD MORTIMER ARCHIBALD, Esq., Companion of the Most Honorable Order of the Bath, Her Britannic Majesty's Consul,

DO HEREBY CERTIFY that F. F. Marbury, junior, Esquire, whose true signature and seal are respectively subscribed and affixed to the certificate hereunto annexed, was, on the day of the date thereof, a Notary Public in and for the State of New York, duly commissioned and sworn, to whose official acts faith and credit are due.

In witness whereof I do hereunto set my hand and seal of office, at the City of New York, this seventh day of March, in the year of our Lord one thousand eight hundred and seventy-one.

(L.S.)

By the Consul.
PIERREPONT EDWARDS,
Vice-Consul.

I HEREBY ratify and confirm the execution of the within instrument as and for my act and deed.

Witness my hand and seal this seventh day of March, one thousand eight hundred and seventy-one.

(L.S.)

BEN HOLLADAY,
Per pro G. K. OTIS, Attorney.

Sealed and delivered in the presence of
(L.S.) F. F. MARBURY, junr.

United States of America.
State of New York.
City and County of New York. }

On this seventh day of March, in the year one thousand eight hundred and seventy-one, before me, Francis F. Marbury, junior, a Public Notary in and for the State of New York, duly commissioned and sworn, dwelling in the City of New York, personally came George K. Otis, the Attorney in fact of Ben Holladay, known to me to be the individual described in, and who as such Attorney executed, the annexed instrument of ratification and confirmation, and acknowledged to me that he executed the same as and for the act and deed of Ben Holladay as aforesaid, for the purposes therein mentioned, under and by virtue of a certain Letter of Attorney executed and acknowledged by him, the said Ben Holladay, to him, the said George K. Otis, and bearing date the twenty-second day of February, in the year one thousand eight hundred and seventy-one.

Witness my hand and seal of office, at the City of New York aforesaid, the day and year last above written.

(L.S.)

F. F. MARBURY, junr.,
Notary Public, N.Y.

Enclosure 2 in No. 90.

Mr. ALLAN McLANE to the Hon. JULIUS VOGEL.

SIR,—

Office Pacific Mail Steamship Company, New York, 1st March, 1871.

I understand that one object of your visit to this country is the consummation of an arrangement for the conveyance of Her Majesty's mails between Australia, New Zealand, and San Francisco. With this explanation I beg to say that the Pacific Mail Steamship Company (now, as you are aware, occupying the route between China, Japan, and San Francisco,) is prepared to bid for said service. We should expect to use first-class steamers in all respects, and of ample tonnage, for the development of trade and commerce between our respective States—say of from 3,000 to 4,000 tons. The frequency of the trips to be arranged satisfactorily.

I would add that we could begin the service on very short notice. The Company's steamer, the "Alaska," of 4,000 tons register, is now *en route* to Hong Kong *via* the Suez Isthmus, and might be diverted to Australia for this purpose.

I have, &c.,
ALLAN McLANE,
President.

The Hon. Julius Vogel, Postmaster-General of
New Zealand.

Enclosure 3 in No. 90.

Mr. W. H. WEBB to the Hon. JULIUS VOGEL.

SIR,—
 Enclosure No. 1 in No. 85. Referring to clause 3 in the Contract made 6th February, 1871, between yourself and Mr. J. B. M. Stewart, under a power of attorney from me, it is provided that the "Moses Taylor" "shall be used only in cases of emergency," &c.

This provision, restricting said steamer, I think, should be omitted from the contract, and the "Moses Taylor" included with the steamers "Nevada" and "Nebraska" for the regular service. I therefore come to beg, on behalf of myself and Mr. Ben Holladay (for whom I act under authority), the contractor named in said contract, that you will remove or omit from the contract the provision to which I object, and thus greatly oblige,

The Hon. Julius Vogel, Postmaster-General of
 New Zealand.

New York, 6th March, 1871.
 Yours, &c.,
 W. H. WEBB.

Enclosure 4 in No. 90.

The Hon. JULIUS VOGEL to Mr. W. H. WEBB.

SIR,—
 Enclosure No. 3. In reply to your letter of this day's date, in which you ask me to accept the "Moses Taylor" as an ordinary contract boat, without the provision that she shall be used only in case of emergency, I regret that I am unable to accede to your request; as that vessel is so much within the size of those required to perform the contract, and as I am not satisfied that she is of the requisite speed. I am therefore unable to make you any further concession than that of omitting the words relating to "unavoidable accident," which appear in the contract as made with Mr. Stewart.

Enclosure No. 6. I have had a survey made of the "Santiago de Cuba," and I am willing to accept her for two years under the terms of the draft clause which I have already shown to you; but you must clearly understand that it is only on condition that the "Nevada," "Nebraska," and "Dacotah" are first used in the service; and in respect to the "Dacotah," I have to request you will use the utmost despatch in fitting her for use, since, and throughout previous negotiations, both in New Zealand and with Mr. Stewart, it has been distinctly understood she was to be employed as soon as she could be put in order.

W. H. Webb, Esq., New York.

I have, &c.,
 JULIUS VOGEL.

Enclosure 5 in No. 90.

The Hon. JULIUS VOGEL to Mr. W. H. WEBB.

SIR,—
 New York, 7th March, 1871.
 As verbally agreed between us, I defer, for the present, handing to you anything more than a temporary time-table. Therefore I have the honor to state, that I agree under the contract, that the first boat shall leave San Francisco on the 8th April; Port Chalmers on the 13th May; Lyttelton 14th; Wellington, 15th, or early on the morning of the 16th; and Auckland on the 19th; and that until further intimation be given to you, the subsequent vessels shall leave at intervals of not more, than a calendar month, nor less than a lunar month.

In accordance, also, with an understanding between us, I place on record that I have agreed, in order to allow the people of New South Wales to see one of your vessels, that the main-line boat may for one voyage (not being the first voyage under the contract) proceed from Auckland to Sydney, the coastal service for that month to be performed by a local boat, the expense of the same to be paid by you.

W. H. Webb, Esq., New York.

I have, &c.,
 JULIUS VOGEL.

Enclosure 6 in No. 90.

Mr. SAM HARDING to the Hon. JULIUS VOGEL.

SIR,—
 New York, 4th March, 1871.
 At the request of Robert Mackay, Esq., I have this day surveyed and examined (without opening) the side-wheel steamship "Santiago de Cuba," on your account, and beg to make the following report:—

The "Santiago de Cuba" was originally a well-built ship, and was employed by the United States Government as a gun-boat, and was extra strengthened for that purpose. After the end of the rebellion in the United States, was sold by Government, and fitted by Mr. W. H. Webb to run as a regular sea steamer between New York and Nicaragua, carrying mails, passengers, freight, &c., between the two ports, in connection with steamships on the Pacific to California, and performed successfully while engaged in that work. She was ran ashore east of Maryland in the spring of 1867, and after standing several gales was got off, brought to New York, and repaired. Was found not to be much injured, but received part of a new keel, some new planks, and was re-fastened throughout with locust-tree nails, metal and iron bolts, and metal sheathed. After the breaking up of the Nicaragua line of steamships she was employed in various other services, and has always performed well.

The present condition of the hull, so far as I am able to judge without opening, is sound and good. She shows no signs of work or strain in any part, and I believe, from what I have seen of the vessel in

1867 and 1870, when last in dock, she would open sound and good in all parts. The vessel requires caulking all over above the metal-sheathing line; and if fitted for two years in Pacific trade, ought to be newly caulked and metal-sheathed before proceeding on said service: although in July, 1870, when the vessel was last in dry dock in New York, her metal-sheathing was in very fair condition, and was repaired at that time, still for a good sure ship, and to be employed in transporting mails and passengers, it would be well to renew the metal sheathings. The ship requires some few general repairs, and new main-mast; and the chains and anchors are light for such a ship; and she ought to have for the mail service in the Pacific three Bowen anchors of 30, 32, and 37 cwt. each, and at least 270 fathoms of chain cable of $1\frac{1}{4}$ inch.

The engine is, I am told by an expert, in good condition, and will require but slight repairs to put it in good working order.

The boilers will require large repairs, or to be made new, and the ship ought also to have surface condenser, to bring her fully up to the standard of a first-class steamer.

I am told the ship can steam in all ordinary weather from nine to ten and a half knots per hour, and with surface condenser added would come fully up to ten and eleven knots per hour.

She is a good easy model, and I am sure, in heavy weather at sea, must be a good sea boat, and very weatherly.

I have, &c.,
SAM HARDING,
Marine Surveyor.

Hon. Julius Vogel, Fifth Avenue Hotel.

FURTHER PAPERS RELATIVE TO THE SAN FRANCISCO MAIL SERVICE.

No. 91.

Mr. H. H. MASSIE to the Hon. the COLONIAL SECRETARY.

SIR,—

Colonial Secretary's Office, Brisbane, 28th December, 1870.

I have the honor to acknowledge the receipt of your letter of the 3rd instant, respecting the arrangement entered into by your Government for a new mail service between San Francisco and New Zealand, and in which this Colony is invited to avail itself of the advantage held out by this particular service.

This Government has already expressed itself in favor of a mail service connecting Queensland (preferably *via* the Fijis) with San Francisco, but is not prepared to accept your offer in its present shape, or to enter into any arrangements which afterwards might be found inconvenient, in the absence of more detailed information, and until your Government is in a position to propose the terms on which Queensland is expected to contribute towards the subsidy required for the service.

No. 60 of this series.

The Hon. the Colonial Secretary,
New Zealand.

I have, &c.,
H. H. MASSIE,
For the Colonial Secretary.

No. 92.

Mr. J. ROBERTSON to the Hon. the COLONIAL SECRETARY.

SIR,—

Sydney, 6th January, 1871.

I have the honor to acknowledge the receipt of your letter of the 3rd ultimo, in which you intimate that the Government of New Zealand has succeeded in making arrangements for placing the San Francisco mail service on a permanent basis, large boats running at a high rate of speed being employed, and that you anticipate that you will soon be enabled to propose to this Government to contribute towards the subsidy payable for thirteen services a year, with a boat of not less than 2,000 tons register to run to Sydney direct, the mails being delivered in thirty days from San Francisco, or about forty-five days from England. You also propose that, pending the settlement of certain details with the contractors, this Government shall agree to continue to pay a subsidy at the rate of £10,000 a year, or that any arrangement which may hereafter be completed between the two Governments shall be held to date back to the commencement of the new service, and that payment shall be made by this Colony accordingly.

No. 60 of this series.

In reply, I have the honor to inform you that it is not considered expedient that this Colony should make any arrangements with New Zealand for a mail service which, under the above proposal, would be only a branch line; and to add, that it must be clearly understood that this Government will not recommend to Parliament the payment of any contribution for the mail service in New Zealand beyond that for the period when twelve complete services will have been performed.

The Hon. the Colonial Secretary,
Wellington, N.Z.

I have, &c.
JOHN ROBERTSON.

No. 93.

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

SIR,—

General Post Office, Wellington, 24th April, 1871.

I have the honor to transmit to you, enclosed herewith, a copy of the contract which has lately been entered into by the Government of this Colony, for the conveyance of mails between New Zealand and San Francisco.

The Hon. the Postmaster-General,
Sydney.

I have, &c.,
ELIOTT ELIOTT,
For the Postmaster-General.

Letters of even date and tenor to the Hon. the Postmasters-General of Brisbane, Adelaide, and Hobart Town; the Deputy Postmaster-General, Melbourne, and the Postmaster-General, Perth, Western Australia

FURTHER PAPERS RELATIVE TO THE

No. 94.

Mr. S. H. LAMBTON to the Hon. the POSTMASTER-GENERAL.

SIR,—

General Post Office, Sydney, 22nd May, 1871.

No. 93 of this series.

I have the honor to acknowledge the receipt of your communication, dated the 24th ultimo, forwarding a copy of the contract lately entered into by the Government of New Zealand for the conveyance of mails between that Colony and San Francisco.

I have, &c.,

The Hon. the Postmaster-General,
Wellington, N.Z.

S. H. LAMBTON,
For the Postmaster-General.

No. 95.

Mr. HURST to the SECRETARY, General Post Office.

SIR,—

General Post Office, Adelaide, 27th May, 1871.

No. 93 of this series.

I have the honor, by the direction of the Postmaster-General, to acknowledge, with thanks, the receipt of your communication of the 24th ultimo, together with the accompanying copy of the contract for the conveyance of the mails between New Zealand and San Francisco.

I have, &c.,

The Secretary, General Post Office,
Wellington, N.Z.

J. L. HURST.

No. 96.

Mr. W. TURNER to the Hon. the POSTMASTER-GENERAL.

SIR,—

General Post Office, Melbourne, 30th May, 1871.

No. 93 of this series.

I beg to acknowledge, with thanks, the receipt of the copy of the contract recently entered into for the conveyance of mails between New Zealand and San Francisco, which accompanied your communication of the 24th ultimo.

I have, &c.,

The Hon. the Postmaster-General,
Wellington.

W. TURNER.

No. 97.

Mr. A. C. DOUGLAS to Mr. ELLIOTT ELLIOTT.

SIR,—

General Post Office, Hobart Town, 31st May, 1871.

No. 93 of this series.

I am directed to acknowledge the receipt of your letter of the 24th ultimo, and to request that you will convey to the Hon. the Postmaster-General of New Zealand the best thanks of the Postmaster-General of this Colony for the copy of the contract lately entered into by the Government of New Zealand for the conveyance of mails between New Zealand and San Francisco, which accompanied the communication referred to.

I have, &c.,

Elliott Elliott, Esq., General Post Office,
Wellington.

A. C. DOUGLAS,
Secretary.

No. 98.

Mr. JOHN M'DONNELL to the Hon. the POSTMASTER-GENERAL.

SIR,—

General Post Office, Brisbane, 1st June, 1871.

No. 93 of this series.

I am directed to acknowledge the receipt, with thanks, of a copy of the contract lately entered into by the Government of New Zealand for the conveyance of mails between that Colony and San Francisco, accompanying your letter dated the 24th April last.

I have, &c.,

The Hon. the Postmaster-General,
Wellington, N.Z.

JOHN M'DONNELL,
Under-Secretary.

No. 99.

Mr. HELMICH to the SECRETARY, General Post Office.

SIR,—

General Post Office, Perth, 6th July, 1871.

No. 93 of this series.

I have the honor to acknowledge the receipt of your letter of the 24th April last, enclosing a copy of the contract lately entered into by the Government of New Zealand for the conveyance of mails to and from San Francisco, for which I beg to return you my thanks.

I have, &c.,

The Secretary, General Post Office,
Wellington, N.Z.

A. HELMICH,
Postmaster-General.

No. 100.

Mr. WILLIAM MILNE to the Hon. the COLONIAL SECRETARY.

SIR,—

Chief Secretary's Office, Adelaide, 23rd March, 1871.

No. 60 of this series.

In reply to your letter of the 3rd December last, and with reference to former correspondence

on the subject of mail communication with Europe *via* San Francisco, I have the honor, by desire of His Excellency Sir James Fergusson, to request you to be so good as to inform me on what terms your Government will consent to forward our mails by that route, as until you can definitely fix the amount of subsidy required for the improved service, this Government does not feel able to enter into any engagement with regard thereto.

I may mention that the rate paid by the non-contracting Colonies for the Panama service was twenty shillings per pound weight, including newspapers and parcels, inwards and outwards.

This Province would not object to a similar arrangement to secure the conveyance of our correspondence by an efficient service *via* California.

The Hon. the Colonial Secretary, New Zealand.

I have, &c.,
WILLIAM MILNE.

No. 101.

The Hon. W. GIBBORNE to the Hon. the CHIEF SECRETARY, South Australia.

SIR,—

Colonial Secretary's Office, Wellington, 2nd June, 1871.

I have the honor to acknowledge the receipt of your letter of the 23rd March last, on the subject of a contribution by South Australia to the mail service *via* San Francisco.

Since the receipt of your letter, this Government has received intimation of a definitive contract with Messrs. Webb and Holladay for a twenty-eight days' service between New Zealand and San Francisco, with provisions in the contract for extending the service, in consideration of a certain contribution, to the Australian Colonies. In my letter of the 24th April last, I forwarded a copy of this contract, and in my letter of the 13th ultimo I invited the expression of the views of your Government in common with the other Australian Governments, on the subject, in order to secure without delay some satisfactory agreement among the Colonies concerned for the extension of the service and the settlement of contributions.

The proposition contained in your letter, to pay at the rate of twenty shillings per pound weight, has been found, during the Panama service, a very unsatisfactory one, and cannot be entertained by this Colony. I trust that you will agree that the better course will be that the contributions to the San Francisco mail service by the Australian Colonies should be by fixed proportionate annual sums. In the meantime, until some arrangement is come to, mails for the Australian Colonies are carried, and a record of the weight of each mail is preserved.

The Hon. the Colonial Secretary, South Australia.

I have, &c.,
W. GIBBORNE.

No. 102.

(CIRCULAR.)

SIR,—

Colonial Secretary's Office, Wellington, 13th May, 1871.

The Postmaster-General of New Zealand transmitted to you, on the 24th ultimo, a copy of the contract entered into by the Government of New Zealand with Messrs. Webb and Holladay, for the establishment of a postal service between New Zealand and England, by way of San Francisco. The contract has been framed with the view of admitting the Australian Colonies to a participation in the service, and the New Zealand Government are very desirous that satisfactory arrangements may be made as soon as practicable for that purpose.

This Government accordingly invite the co-operation of the Government of New South Wales in the attainment of that object, and will be glad to receive the expression of their views.

The Hon. the Colonial Secretary, New South Wales.

I have, &c.,
W. GIBBORNE.

Letters of even date and tenor to Hon. Chief Secretary, Victoria; Hon. Colonial Secretary, Queensland; Hon. Colonial Secretary, South Australia; and Hon. Colonial Secretary, Tasmania.

No. 103.

MR. WILLIAM MILNE to the Hon. the COLONIAL SECRETARY.

SIR,—

Chief Secretary's Office, Adelaide, 14th June, 1871.

I have the honor, by desire of His Excellency Sir James Fergusson, to inform you, in reply to your letter of the 13th ultimo, which has received careful consideration, that this Government regret that they are compelled to decline contributing towards the subsidy for the mail service between New Zealand and England, *via* San Francisco, referred to.

The Hon. the Colonial Secretary, New Zealand.

I have, &c.,
WILLIAM MILNE.

No. 104.

MR. JOHN ROBERTSON to the Hon. the COLONIAL SECRETARY.

SIR,—

Sydney, 18th July, 1871.

I have the honor to acknowledge the receipt of your letter of the 13th May last, in which you refer to a copy transmitted on the 24th of the preceding month by the Acting Postmaster-General of New Zealand to the Postmaster-General of this Colony, of the contract entered into by your Government with Messrs. Webb and Holladay, for the establishment of a postal service between New Zealand and England, by way of San Francisco, and invite the co-operation of this Government in the undertaking, and an expression of its views upon the subject.

No. 100 of this series.

No. 91 of this series.
No. 102 of this series.

No. 91 of this series.

No. 102 of this series.

No. 102 of this series.
No. 91 of this series.

2. In reply, I have the honor to inform you that when results and circumstances shew that it would be expedient to call for tenders for the purpose of establishing a mail line to San Francisco, which would meet the requirements of all those Colonies which might be expected to join in the scheme, New South Wales will not be indisposed to invite the co-operation of New Zealand.

I have, &c.,

The Hon. the Colonial Secretary,
Wellington, N.Z.

JOHN ROBERTSON.

No. 105.

Mr. PRICE to the Hon. the COLONIAL SECRETARY.

SIR,—

Colonial Secretary's Office, Brisbane, 21st July, 1871.

I have the honor to acknowledge the receipt of your letter of the 13th of May last, on the subject of a contract entered into by the Government of New Zealand with Messrs. Webb and Holladay, for the establishment of a postal service between New Zealand and England, by way of San Francisco, framed with the view of admitting the Australian Colonies to a participation in the service, and I beg to state that it has been determined, after due consideration, that it is not expedient to join in the contract undertaken by the New Zealand Government for the postal service in the way proposed.

I have, &c.,

The Hon. the Colonial Secretary,
Wellington, N.Z.

T. L. MURRAY PRICE,
In the absence of the Colonial Secretary.

No. 106.

Earl KIMBERLEY to Governor Sir G. F. BOWEN.

SIR,—

Downing-street, 13th March, 1871.

With reference to your despatch No. 142, of the 23rd October, and to mine of the 27th January, No. 14, on the subject of a proposed contribution from New Caledonia to the expense of the mail service between Auckland and Europe, *via* San Francisco, I transmit to you a copy of a note which has been received through the Foreign Office from the French Government, declining for the present to entertain the proposal which Lord Lyons was instructed to make them.

I have, &c.,

Governor Sir G. F. Bowen, G.C.M.G.

KIMBERLEY.

No. 107.

Mr. WM. JAS. PAGE to the POSTMASTER-GENERAL.

SIR,—

General Post Office, London, 4th May, 1871.

I have received a communication from Mr. Vogel, in which he states that, according to the arrangements which he has just made for carrying on the mail service between San Francisco and New Zealand, the mails should be despatched from this country on every fourth Thursday, commencing from this day; and I beg to inform you that notice of this change has been given to the public, and the necessary instructions have been issued for the guidance of the officers of this Department.

As the mails will now leave on a fixed day of the week, and it is understood that the Colonial mail-packet will, in all cases await their arrival at San Francisco, there will no longer be any necessity for making two preliminary despatches from this country, as hitherto, and the officers of this Department have accordingly been instructed to make up only one mail for New Zealand in future, accompanied by a single letter-bill, instead of sending three mails, each with a separate letter-bill.

I have, &c.,

The Postmaster-General, Wellington.

WM. JAS. PAGE.

No. 108.

The Earl of KIMBERLEY to Governor Sir G. F. BOWEN.

SIR,—

Downing-street, 17th May, 1871.

I transmit to you, for your information, a copy of a notice which has been received from the General Post Office respecting the mail service to New Zealand, *via* San Francisco.

I have, &c.,

Governor Sir G. F. Bowen, G.C.M.G.

KIMBERLEY.

Enclosure in No. 108.

Arrangements have been made for despatching the mails for New Zealand, *via* San Francisco, once in every four weeks in future.

The next despatch will take place from London on the evening of Thursday, the 1st June, and, thenceforward, mails will be sent from London on every fourth Thursday.

On each occasion, mails will also be made up in Liverpool on the same day as in London, and in Dublin on the following day.

General Post Office, 8th May, 1871.

By command of the
POSTMASTER-GENERAL.

No. 109.

Mr. W. H. WEBB to the Hon. the ACTING POSTMASTER-GENERAL.

United States, New Zealand, and Australia Mail Steam Ship Line Agency
San Francisco, 6th May, 1871.

SIR,—

In the temporary absence of the Hon. Julius Vogel, I find it necessary to address myself to you.

By the provisions of the contract recently made with Mr. Vogel for the transport of the New Zealand and Australian mails, it is provided that neither Mr. Ben. Holladay nor myself shall enter into contract with the Australian Colonies for mail subsidies, except in connection with the New Zealand Post Office Department.

Since Mr. Vogel's departure for Europe, and immediately thereafter, the Pacific Mail Steam Ship Company of New York, being disappointed in securing a subsidy contract from the United States Government for an additional China mail service, and having, in anticipation of getting the subsidy, sent two steamers from New York into the Pacific ocean (Chinese waters), have positively (over a month since) despatched their Vice-President to Australia, *via* China, for the express purpose of concluding a contract with those Colonies for a postal service between those Colonies and this port, *via* the Fiji Islands.

Under these circumstances, I beg to suggest that you should take active and immediate measures to conclude some contract for mail service, *via* Auckland, with those Colonies, and such as is contemplated by our contract.

It is necessary we should prevent the Pacific Mail Steam Ship Company from getting a hold with the Australian Colonies, otherwise I shall have that Company, with all its influence (though not great) looking for a subsidy next winter at Washington, for carrying an Australian mail, and, of course, opposing our application for such contract.

I have deferred sending an Agent to Australia, as I had led Mr. Vogel to suppose I would, for the purpose of giving these Governments information in regard to the route and our line, for the simple reason that I have been unable to find a suitable person, who I was willing should represent us in that country, and who was willing to undertake so difficult and delicate a duty; but I hope to be able to send such person by the steamer leaving here on the 24th May, and one who will not only represent us properly, but who shall be satisfactory to you.

Leaving the whole subject matter with you, and begging a reply,

The Hon. the Acting Postmaster-General,
Wellington.

I have, &c.,
W. H. WEBB.

No. 110.

Mr. W. H. WEBB to Sir G. F. BOWEN.

United States, New Zealand, and Australia Mail Steamship Line Agency,
San Francisco, 23rd May, 1871.

SIR,—

By the present, I beg you will permit me to call your attention (in the absence of the Hon. Julius Vogel, Postmaster-General) to the postal contract existing between your Government and Mr. Ben. Holladay and myself, for mail service, not only to New Zealand, but also to Sydney.

By last mail hence (6th instant), I deemed it proper and advisable to address the Post Office Department at Wellington under circumstances then existing, and to that letter I respectfully beg your attention.

Since writing on the 6th instant, advices have been received here from Sydney, and other still more important circumstances have transpired, such as the advertising of an opposition steamer in the public press here, as will fully appear by the enclosed news slip.

This opposition, which, we consider is supported by the A.S.N. Co. and the Chamber of Commerce of Sydney, cannot but prove disastrous to our enterprise, in which the Government of New Zealand is so deeply interested, as well as the people of this country, for there is not business for two lines (scarcely enough, commercially, for one), and a division of the existing business would necessarily result in a sickly performance of service by either line of steamers.

This state of affairs, together with those previously advised in my letter of 6th instant, to the Post Office Department, I trust will be accepted as a sufficient reason for addressing you on the subject, and in advance of the return of the Postmaster-General from Europe, which we had originally intended to await, and upon whom we relied for the prosecution of early and active measures to close contracts with the different Australian Colonies, more especially as Mr. Holladay and myself are prohibited by the terms of the contract with your Government from entering into contracts with those Colonies.

I have not sent an Agent to Australia as contemplated when writing last (6th instant), preferring to wait the receipt of some information from your Government and the Colonies (which we hope to get by next mail), before sending any person whom we would not be able to properly advise in the absence of any advices whatever.

Trusting our views may be favorably received, and early and definite action taken by your Government to secure the payment by the Australian Colonies of subsidies for mail service.

Sir George Bowen, Governor of New Zealand.

I have, &c.,
W. H. WEBB,

No. 111.

The Hon. F. D. BELL to Mr. W. H. WEBB.

General Post Office, Wellington, 30th June, 1871.

SIR,—

His Excellency Sir George Bowen has transmitted to the Government at Wellington your

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series.

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series.

No. 109 of this
series.

No. 110 of this series.

letter of the 23rd May, in which you call attention to the steps which are in course of being taken in the Australian Colonies for the establishment of a postal service between Australia and Great Britain, *via* California, which may compete with the New Zealand and San Francisco service.

No. 109 of this series.

Upon receipt of the contract executed between the Postmaster-General of New Zealand and yourself, this Government addressed a letter to the Governments of the various Australian Colonies, (a copy of which letter I transmit.) I transmit, also, copies of replies already received.

The New Zealand Government, on receipt of your letter of the 6th May last, made arrangements for accrediting to the Australian Governments, a representative duly instructed to open negotiations with those Governments, for obtaining contributions towards the postal subsidy, and for placing the Californian Service on a footing which may meet the requirements of the whole Australian group. But it is obvious that such negotiations may involve the consideration of various points on which it may be sought to alter the terms of the present contract, but which could not be done without your concurrence.

This Government has been led by your former letter to expect the arrival, by the "Nevada," of an Agent duly authorised to represent you in this matter, and they have deferred sending their representative to Australia until the arrival of your Agent, with whom it was hoped he might proceed in company, so that by joint action they might be enabled to arrive at some definite and satisfactory arrangement with the Australian Governments.

I regret to find by your letters that you have not been able to send an Agent to New Zealand as proposed; I trust, however, that we shall soon receive from you an intimation that you have done so. Meantime, looking to the short period which must now elapse before Mr. Vogel's return from England, the Government think it best to defer sending their representative to Australia.

You will, no doubt, communicate with Mr. Vogel, on his return through the United States, so that on his arrival here, the Government may be in possession of your views as to the terms of arrangement to be made with the Australian Colonies, and as to any modifications, which it may be thought expedient to make in the existing contract. They will then lose no time in communicating with the Australian Governments.

W. H. Webb, Esq., San Francisco.

I have, &c.,
F. D. BELL.

No. 112.

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

SIR,—

General Post Office, Wellington, 6th May, 1871.

No. 84 of this series.

I have the honor to acknowledge the receipt of your letter of the 26th January last, in which you bring under my notice that the Agent to your Department at Panama receives by each mail from San Francisco small bags of letters, originating in this Colony, and addressed to the ports on the Pacific coast of South America, unpaid, and without any credit being given for their conveyance by British packets from Panama, and you request that such bags may, in future, be forwarded in a mail addressed to the Agent of your Department at Panama, and credit given at the rate of 6d. per half ounce for letters, 1d. per four ounces for newspapers, and 3d. per four ounces for printed papers.

In reply, I have to inform you that the bags for the places referred to will, in future, be forwarded in accordance with the instructions contained in your letter.

I have to add, with reference to the latter part of your communication, that arrangements have been made with the United States Post Office for the conveyance of the correspondence as far as Panama, and for the payment of the postage due for such conveyance.

I have, &c.,

The Secretary General Post Office, London.

ELIOTT ELIOTT,
For the Postmaster-General.

No. 113.

The Hon. HENRY SEWELL to the POSTMASTER-GENERAL, Washington.

SIR,—

General Post Office, Wellington, 16th May, 1871.

No. 67 of this series.

I have the honor to acknowledge the receipt of your letter of the 9th November last, transmitting one of the duplicate originals of the Postal Convention between the Colonial Government of New Zealand and the Government of the United States, duly signed; also advising me that the instructions necessary for putting this convention into operation on the 1st December, 1870, had been issued by your Department. I have also to thank you for the six printed copies of the convention you were good enough to send me.

With respect to the blank in article 7, I beg to request you will be good enough to insert in the copy in your possession the words "six pence." I would also suggest that the exchange of registered articles between the two Departments be commenced at once.

Regarding article 4, I would feel obliged by your informing me at your earliest convenience, whether the transit charges of 25 cents per ounce for letter mails, and 20 cents per pound for all kinds of printed matter, payable by this Department to yours, for territorial and sea transit of mails from this Colony to the countries mentioned, cover the transit charges to destination.

I have, &c.,

The Postmaster-General, Washington.

HENRY SEWELL.

No. 114.

Mr. J. W. RAYMOND to the Hon. the POSTMASTER-GENERAL.

United States, New Zealand, and Australia Mail Steamship Line Agency,
San Francisco, 22nd June, 1871.

SIR,—

I beg to report to you that we had hoped for the arrival here of our steamer, "Moses Taylor,"

with the mails which we were advised by the Hon. Mr. Vogel would be despatched from Auckland on the 19th May, per steamer "Nevada."

The non-arrival of the "Moses Taylor" disappoints us, the more so as we are quite ignorant of the cause.

However, we this day despatch the steamship "Ajax" for Honolulu, there to connect with the steamer "Nebraska" for conveyance of the mails for New Zealand. A part of said mail arrived here on the night of the 21st, and a part on night of 20th instant.

On the departure of the steamer on the 24th May, your Mail Agent thought a part of the mails had not come forward. I have to advise you that a number of bags were received at the Post Office here on the night of 3rd June, which go forward by this steamer; but I have not been able to learn whether they left England later than the regular mail day, 4th May, or if they were detained on their transit.

I also take the occasion to say that the Hon. Mr. Vogel telegraphs that he may arrive in New York about July 6th, and expects to take his departure from San Francisco by the steamer of July 19th proximo.

Mr. Webb awaits his arrival here, intending to return to New York immediately after Mr. Vogel shall have sailed.

I have, &c.,

J. W. RAYMOND,

The Hon. the Postmaster-General,
Wellington, N.Z.

P.S.—I beg to add that the Postmaster of this City has also, by correspondence with the New York Post Office, and with the department at Washington, sought to learn more particularly about the mails which arrived on the 3rd June, but so far without success.

The "Ajax" has been inspected by the United States Navy Department, and accepted as a mail steamer. Although not so fast a ship as we could wish, she will doubtless carry the mails safely, and make her connection at Honolulu with the "Nebraska." As I write, the "Moses Taylor" is reported "coming in," with the Mails per "Nevada." They will go forward this evening.

No. 115.

Mr. H. H. HALL to the COLONIAL SECRETARY.

United States Consulate, Grafton Wharf,

Sydney, 31st March, 1871.

SIR,—

I have the honor to submit for the consideration of your Government the enclosed separate tenders for performing the mail service between New Zealand and San Francisco.

I open this negotiation on the supposition that the arrangements entered into with the agent of Mr. Webb may very probably not be carried out, in which case serious postal inconveniences to New Zealand might arise.

I have the satisfaction to inform you that I have succeeded in making such arrangements throughout the whole line of route from Sydney to Liverpool as justify me in expecting to perform the through journey from the first within 45 days, and to reduce the time by several days at no remote date. The class of ships I intend employing, the agencies at ports of call, the arrangements for the security and punctual transference of mails where changes of conveyance are necessary, and the provisions, founded on experience already gained, for due convenience and comfort of passengers, will, I have every confidence, prove to be very superior in the new line I am about to open; and I shall spare no exertions to improve it in all these particulars, as further knowledge is practically acquired.

I have, &c.,

The Hon. the Colonial Secretary,
Wellington, N. Z.

H. H. HALL,
United States Consul.

Enclosure 1 in No. 115.

TENDER for the conveyance of Her Majesty's mails between Auckland and San Francisco, *via* Fiji and Honolulu.

1. I hereby offer to convey Her Majesty's mails between Auckland and San Francisco, *via* Fiji and Honolulu, for the sum of £17,000, and free ports, for thirteen complete services each year.

2. The contract to be subject to the usual conditions of steam postal services.

3. The steamers to be employed in the service to be in every respect suitable and seaworthy, and holding certificates from the Marine Steam Navigation Board of New South Wales.

4. The contract to be for ten years, subject to the condition that within six months from the departure of the first steamer, the Postmaster-General shall have the option of discontinuing the service, on his giving two years' notice of his intention to do so.

5. To leave Auckland every twenty-eight days, commencing four weeks from the signing of the contract.

6. The service to alternate from Sydney with the service of the Suez route. Time occupied between Auckland and San Francisco, and *vice versa*, including stoppages, twenty-six and a-half days.

7. Premiums or penalties to be on the basis of £50 sterling per diem.

8. The service to be designated the "Californian, New Zealand, and Australian Mail Line of Steamships."

H. H. HALL,
United States Consul.

Enclosure 2 in No. 115.

TENDER for the conveyance of Her Majesty's mails from Dunedin, calling at Lyttelton, Wellington, and Auckland, to San Francisco, *via* Fiji and Honolulu.

I hereby offer to convey Her Majesty's mails between Dunedin and San Francisco *via* Fiji and Honolulu, touching at Lyttelton, Wellington, and Auckland, for the sum of £26,000, and free ports, for thirteen complete services each year.

- 2. The contract to be subject to the usual conditions of steam postal services.
- 3. The steamers to be employed in the service to be in every respect suitable and seaworthy, and holding certificates from the Marine Steam Navigation Board of New South Wales.
- 4. The contract to be for ten years, subject to the condition that, within six months from the departure of the first steamer, the Postmaster-General shall have the option of discontinuing the service on his giving two years' notice of his intention to do so.
- 5. The steaming time between Dunedin and Auckland to be four and a-half days, (detentions between Dunedin and Fiji not to exceed two days), and to leave Dunedin and the other ports of New Zealand every twenty-eight days, commencing four weeks from the signing of the contract.
- 6. The service to alternate from Sydney with the service of the Suez route. Time occupied between Auckland and San Francisco, and *vice versa*, including stoppages, twenty-six and a-half days.
- 7. Premiums or penalties to be on the basis of £50 sterling per diem.
- 8. The service to be designated "The Californian, New Zealand, and Australian Mail Line of Steamships."

H. H. HALL,
United States Consul.

Enclosure 3 in No. 115.

HOMEWARD ROUTE.

LEAVES SYDNEY.	ARR. & DEP. SAN FRANCISCO.	ARR. & DEP. NEW YORK.	ARRIVE LIVERPOOL.
May 4	June 3	June 9	June 19
June 1	July 1	July 7	July 17
June 29	July 29	August 4	August 14
July 27	August 26	September .. 1	September .. 11
August 24	September .. 23	September .. 29	October 9
September .. 21	October 21	October 27	November .. 6
October 21	November .. 20	November .. 26	December .. 6
November .. 18	December .. 18	December .. 24	January .. 3
December .. 16	January .. 15	January .. 21	January .. 31

OUTWARD ROUTE.

LEAVES LIVERPOOL.	ARR. & DEP. NEW YORK.	ARR. & DEP. SAN FRANCISCO.	ARRIVE SYDNEY.
June 4	June 14	June 20	July 20
July 2	July 12	July 18	August 17
— July 30	August 9	August 15	September .. 14
August 27	September .. 6	September .. 12	October 12
September .. 24	October 4	October 10	November .. 9
October 22	November .. 1	November .. 7	December .. 7
November .. 19	November .. 29	December .. 5	January .. 4
December .. 17	December .. 27	January .. 2	February .. 1
January .. 14	January .. 24	January .. 30	March 1

Enclosure 4 in No. 115.

HOMEWARD ROUTE FOR ENGLAND.

FROM SYDNEY TO SAN FRANCISCO.

Arrive and Depart Honolulu.

May	... .. 24
June	... .. 21
July	... .. 19
August	... .. 16
September	... .. 13
October	... .. 11
November	... .. 10
December	... .. 8
January	... .. 1

OUTWARD ROUTE FOR SYDNEY.

FROM SAN FRANCISCO TO SYDNEY.

Arrive and Depart Honolulu.

June	... .. 29
July	... .. 27
August	... .. 24
September	... .. 21
October	... .. 19
November	... .. 16
December	... .. 14
January	... .. 11
February	... .. 8

No. 116.

Mr. ELLIOTT ELLIOTT to Mr. H. H. HALL.

General Post Office, Wellington, 24th April, 1871.

SIR,—

I am directed to acknowledge the receipt of your letter of date 31st ultimo, enclosing an offer from yourself to undertake the conveyance of the mails between New Zealand and San Francisco, and to

No. 115 of this series.

inform you that the Government of this Colony is not in a position to entertain your offer, having already entered into other arrangements for the carrying out of this service.

I have, &c.,

H. H. Hall, Esq., United States Consul,
United States Consulate, Grafton Wharf, Sydney.

ELLIOTT ELLIOTT,
Secretary.
