

(Copy of letter referred to above.)

Mr. COSTER to the AGENT-GENERAL.

SIR,—

London, 7th April, 1874.

I have the honor to acknowledge the receipt of your letter of 30th ultimo, intimating that arrangements between the New Zealand Government and this company for the conveyance of emigrants will cease on the 30th instant. In accepting your notification, and having regard to the fact that you speak of a combination between ourselves, Messrs. Shaw, Savill, and Co., and Messrs. Galbraith, Stringer, Pembroke, and Co., I think it necessary, in fairness to the London management of this company, to place on record the position which has been taken up with you in this matter.

Early in January, or the close of December, you received a telegram from the Government instructing that their business should be divided in stated proportions between the three firms and companies trading to the colony. The wisdom of this course must have been apparent to you, for it was evident that no one firm or company could alone and unassisted supply your largely increased requirements for passenger space at certainly anything like a reasonable rate of passage money; and even if suitable vessels could be procured as wanted, the light cargo necessary for their loading would not be forthcoming. A division of the work was therefore agreed upon, and it was arranged between yourself and Mr. Turner, on behalf of this company, that our contract of June last should determine with February. The March ships Mr. Turner, I have been given to understand, declined in the first instance to find for you at £14 10s., but subsequently consented to do so to enable you to communicate with the colony, and be prepared for a higher rate thereafter. In due course it became necessary to arrange for the continuation of the service, commencing with the month of April. Mr. Turner and myself made our calculations, and found that, in the then existing state of the shipping, provision, and labour markets, the company could not remuneratively carry the New Zealand Government emigrants under £16 to £16 10s.

On Monday, the 16th February, I saw you and repeated what had many times previously been told you—viz. that from the causes stated we could not in the future carry at the same rate as in the past—and made an appointment for Mr. Turner and myself to see you at 10.30 on the following Wednesday morning. (I should like at this point to express to you my sense of, and gratitude for, the urbanity, courtesy, and general kindness which you have ever shown to me during the many occasions on which I have had to trespass upon your time.)

On the next afternoon, Tuesday, I was astonished to hear *from our rivals* that an appointment had been made for the representatives of *the three firms and companies* to meet you at your office at half-past 10 on Wednesday morning, that being the precise hour at which I had arranged for the interview between yourself, Mr. Turner, and myself! So soon as we could leave the City, Mr. Turner and myself proceeded to Westmister Chambers, but did not reach there till 7 o'clock, to find you gone, probably for the day. We left word that we would call the next morning at 10 o'clock, and did so call, hoping to see you before our rivals kept their appointment: however, they arrived before yourself. Still you were good enough to give us a few seconds before admitting them, but opportunity was not offered for more than our again intimating to you that we could not see our way to carrying at the old rates, but that, whatever view the others might take, you might rely on the New Zealand Shipping Company not to see either yourself or the Government put in a strait, so far as our power and ability would go.

The combination interview, which was not of our seeking, but was understood to have been arranged by yourself, took place. The questions of conditions and duration of the proposed new divided contract were discussed, and one of those present quoted a passage rate of £16 10s. on the old guaranteed numbers. On behalf of this company I offered to carry at £16, provided the minimum number guaranteed for the ports of Wellington, Canterbury (Lyttelton), and Port Chalmers, was made 250 for each ship, which I understood would be no objection. The representatives of the other firms said they would do the same. You intimated your determination not to pay such a price, and Mr. Turner and myself went away, leaving Mr. Galbraith, Mr. Savill, and Mr. Temple in your room. I again saw you on the 18th and 19th, and made you propositions on behalf of the company. This was near the end of February, remember, and we were under no engagements to find ships for April. The March ships had only been supplied pending the adjustment of a fresh contract, under protest, as it were, by Mr. Turner. I laid before you our calculation of the cost of carrying emigrants, as furnished me by Mr. Turner from his experience, showing that with the then ruling prices £16 was barely remunerative, for your information; begged you to verify the calculations by reference to competent authorities in the City; and made you the following alternative offers, with the view of preventing a stoppage of emigration, and to give you another chance of referring to the colony with the knowledge and experience you had gained:—

1. To carry our proportion of the emigrants for April at a price to be fixed in the colony, a proper consideration to be named for legal purposes.

2. To hand over for your benefit the charters we have effected, and to act as your brokers in dealing with the ships, and to effect on the best terms obtainable such other charters as might be required, we finding you the light cargo needful for their loading, at the current increased rates of freight, either you supplying the emigrants food and requirements and fitting up the ships, or we doing so on your account: all discounts, percentages, &c., to be returned to you, and we to charge you only the customary brokerage of 5 per cent. These offers you at once declined.

Eventually I jotted down in your room the following proposal, which it seemed to me would certainly prevent the tide of emigration from being abruptly stopped, whilst equally with the other propositions it would show the good faith and good intentions of this company, viz.,—

1. To provide the April ships required by the Agent-General, pending a reference to the colony; 250 guaranteed each Wellington, Dunedin, Lyttelton; 150 other ports; nominal rates, those paid for March, but subject to adjustment as follows:—

2. If the offer of £16 is rejected, and the Government carry on their own emigration, then the