

No. 82.

The POSTMASTER-GENERAL, Sydney, to the Hon. Sir J. Vogel, Wellington.

(Telegram.)

29th February, 1876.

ARRANGEMENTS stated letter 20th December not carried; but "City" having been placed at Contractors' disposal for return mail, I assumed she had been availed of. Contractors to return *via* Fiji under contract, making proper connection there with New Zealand. If "City" has not got mails she will, of course, return *via* Auckland; and if she has mails, but misses connecting boat at Kandavau, I entertain no doubt captain will proceed *via* Auckland. Whilst offering "City" so as to avoid another overlapping and possible double payment, it appeared to me unadvisable to give Contractors formal permission to adopt Auckland route if they could have fulfilled contract as regard route with the "City." Moreover, A.S.N. Co. and captain were made aware before "City" left that in all probability she would be taken by Contractors for return mails. Am disappointed at no reply from Cooper; looked anxiously for one up to date of "City's" departure from Frisco, and the absence of this affords another reason for my supposing that they have worked the "City" into the contract without prejudice thereto, as our telegram Cooper stated that her employment for return mails must be without prejudice to contract.

The Hon. Sir Julius Vogel, Wellington, N.Z.

POSTMASTER-GENERAL.

No. 83.

The Hon. Sir J. Vogel to the Hon. the POSTMASTER-GENERAL, Sydney.

SIR,—

General Post Office, Wellington, 28th February, 1876.

Referring to what took place at the recent conference by telegraph, respecting changes *Vide F.—3A.* in the nature of the San Francisco Mail Service, I desire to call your attention to Mr. Robertson's and your remark,—“If you desire any change, it may be better to leave the matter till you can write from New Zealand.”

Although, as I said during the conference, if you succeed in getting £10,000 from Fiji and New Caledonia, it will meet the requirements of the House of Representatives that our share of the cost should be reduced by £5,000, it seems to me desirable to further elicit your views as to changes in the service.

It may be that our Parliament would be inclined, in consideration of a reduced cost, to modify the present coastal service, or (as I said at the conference) to consent to a branch boat from Fiji. There are three modifications, any one of which the Contractors might be willing should be made:

- (a.) That the main boats should not proceed further than Auckland, we arranging for the service to other ports.
- (b.) That the main boats should not proceed further than Wellington, we arranging for the service to ports other than Auckland, Hawke's Bay, and Wellington.
- (c.) That the main boats should proceed to and from Sydney *via* Kandavau, and that we should arrange to bring our mails to and from Fiji, and to deliver and collect them at the various New Zealand ports.

The last suggested modification would obviously be much to your advantage, as it would give you each way a through boat to and from Sydney, whereas at present you have only a branch boat for the up-service. The other two modifications would also be evidently, though less directly, to your advantage, inasmuch as, by necessitating less work from the contract boats collectively, there would be less liability to derangement of the service through accident. For example, if the down boat did not proceed further than Auckland, there would, in the event of an accident to the boat going from Kandavau to Sydney, be less difficulty in remedying it than there would if the boat coming to New Zealand had to proceed to Port Chalmers.

I have, therefore, to ask, whether you have any objection to our putting ourselves into communication with the Contractors, to ascertain what reductions they would be disposed to make in each of the three cases I have suggested. Supposing the Contractors to be prepared to make a substantial reduction, would you object to our having the whole benefit of it?—we, of course, paying for any local service which might be rendered necessary. In making the suggested inquiries, we should inform the Contractors that we could not conclude any arrangement with them without the consent of the New Zealand Parliament. I am not at all certain that our Parliament would be willing to forego the coastal service or the main boat for any concession the Contractors are likely to make. Nevertheless, from what passed last Session, it seems very desirable we should elicit from the Contractors as far as possible what modifications they would be prepared to make, in order that we may submit the question to the Assembly next Session.

In asking you to forego any participation in reductions the Contractors may be willing to make on account of a modified service, I need only further say that any such modifications would be wholly to the disadvantage of New Zealand, and to the advantage of New South Wales.

Since the above was written, I have received a telegram from the Hon. Mr. Robertson, copy of which I enclose. I understand from this that your Government consider the conditions with Fiji are somewhat affected by the action of the preceding Government; but I do not understand Mr. Robertson to consider the question so settled as to preclude your negotiating as