for the maintenance, for a term of five years, of the Panama Steam Postal Service, with the signature of

His Excellency Sir George Grey, and the Public Seal of New Zealand attached thereto.

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

3. I am now directed by His Excellency Sir John Young, to transmit to you the Agreement duly

executed by the Government of the two Colonies.

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

I have, &c., HENRY PARKES.

Enclosure in No. 3.

ARTICLES OF AGREEMENT made and entered into the ninth day of October, in the year of Our Lord one thousand eight hundred and sixty-seven, between His Excellency the Right Honorable Sir JOHN YOUNG, Baronet, Knight Commander of the Most Honorable Order of the Bath, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Captain-General and Governor-in-Chief of the Colony of New South Wales, and Vice-Admiral of the same, acting herein for and on behalf of the Government of the said Colony, of the one part; and His Excellency Sir George Grey, Knight Commander of the Most Honorable Order of the Bath, Governor and Commander-in-Chief in and over Her Majesty's Colony of New Zealand and its Dependencies, and Vice-Admiral of the same, acting herein for and on behalf of the Government

of the said last-mentioned Colony, of the other part:

WHEREAS by a certain Letter or Memorandum in writing dated the tenth day of March, one thousand eight hundred and sixty-five, and signed by Isaac Earl Featherston, the Agent for that purpose duly authorized by the Government of New Zealand, and by a certain other Letter or Memorandum in writing, dated the twenty-second day of April, one thousand eight hundred and sixty-five, and signed by the Honorable Charles Cowper, the Colonial Secretary of the Colony of New South Wales, it was agreed between the said Isaac Earl Featherston, as such Agent as aforesaid, and the said Charles Cowper, on behalf of the Government of New South Wales, that a certain Postal Service theretofore contracted for between the Postmaster-General of the Colony of New Zealand, and the Agent of the Panama New Zealand and Australian Royal Mail Company (Limited), for the carriage of Her Majesty's Mails between England and New Zealand, by way of Panama, and vice versa, should be extended for the benefit of the said Colony of New South Wales, upon the terms in the said Letters or Memoranda respectively mentioned or referred to. And whereas, by certain Articles of Agreement intended to bear even date with these presents, and be made between the said Sir George Grey, Governor, and the Panama New Zealand and Australian Royal Mail Company (Limited), provision has been made amongst other things, for extending the said Postal Service for the benefit of the said Colony of New South Wales, upon terms and conditions approved of by the Government of the said Colony, and it has been arranged that the terms and conditions upon which, as between the Colony of New Zealand and the Colony of New South Wales, the said Postal Service is so extended should be set forth in or expressed in and ratified by these presents: Now these presents witness, that the said Sir George Grey, Governor as aforesaid, by and with the advice and consent of the Executive Council of the Colony of New Zealand, doth hereby for and on behalf of the Government of the said Colony, agree with the said Sir John Young as aforesaid, representing and in this Agreement acting on behalf of the Colony of New South Wales; and the said Sir John Young, Governor as aforesaid, by and with the advice and consent of the Executive Council of the said Colony of New South Wales, for and on behalf of the Government of the said Colony, doth hereby agree with the said Sir George Grey, Governor of the Colony of New Zealand, representing, and in this Agreement acting, on behalf of the said last-

mentioned Colony, as follows:—

That the said Letter or Memorandum in writing, dated the tenth day of March, one thousand eight hundred and sixty-five, and the said other Letter or Memorandum in writing, dated the twentysecond day of April, one thousand eight hundred and sixty-five, and this present Memorandum of Agreement, shall be considered as together constituting the Agreement between the Governments of New Zealand and New South Wales, under which the rights and liabilities of the said Governments in respect of or in relation to the said Mail Service are defined, the said Memoranda and these presents being read as constituting one Agreement, provided that these presents shall be considered in respect to any proviso, stipulation, or agreement in which they may differ from the said Memoranda, as expressing the final intention of the parties hereto:

That the services provided for by the said Articles of Agreement, between the said Sir George

Grey and the said Panama New Zealand and Australian Royal Mail Company, shall be continued until the expiration of the period by the said Articles provided, unless in the meantime it shall be agreed between the Government of New South Wales and the Government of New Zealand, that

notice should be given for an earlier termination thereof:

That so long as the Government of the Colony of New South Wales continue to be interested in and participate in the said contract, no future or other contracts shall be entered into with the said Company for such services as are in and by the said Articles of even date with these presents mentioned and provided for, nor shall the said contract be varied or altered in any respect without the concurrence of the Government of New South Wales testified by writing under the hand of the Colonial Government or arrangement with the Imperial Government, or with any foreign or other Colonial Government in anywise affecting the services so provided for, shall be made or entered into by either the Government of New Zealand or the Government of New South Wales, without the consent of the other of them: