

arises from the fact that the two services proceed in opposite directions, and therefore overlap each other. Suppose the steamers were made to depart at intervals of a fortnight from Sydney, the intervals would be very different in Melbourne and in New Zealand. Let us, for example sake, suppose a Suez steamer was to leave Sydney on the 1st of the month, and a Californian steamer fourteen days afterwards, say on the 15th, the Melbourne time to correspond would be Suez steamer 4th of the month, Californian 12th, or an interval of eight days. The result with New Zealand would be yet more singular. Suppose the same dates at Sydney, the corresponding dates in Auckland would be Californian boat 22nd of the month. Boat to catch Suez steamer 24th of the month. It is therefore evident that the advantages of a fortnightly service alternately by the two routes would be principally confined to one place, and it would follow that the place enjoying the advantage should largely contribute towards the extra cost.

I will confer with the contractor on the subject as soon as he returns from San Francisco, and if he is willing to vary the agreement, will let you know.

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

I have, &c.,  
JULIUS VOGEL.

## No. 31.

The Hon. W. GISBORNE to the Hon. the COLONIAL SECRETARY, Sydney, N.S.W.

SIR,— Colonial Secretary's Office, Wellington, 14th February, 1870.

I have the honor to acknowledge the receipt of your letter, No. 70,860, of the 28th ultimo, forwarding copy of a telegram from the Colonial Treasurer, Queensland, intimating the approval of the Government of that Colony, on certain conditions, of the propositions submitted to it relative to telegraphic communication, trade with foreign countries, and the Torres' Straits and Californian Mail Services, and in reply to point out to you that Queensland's conditional assent is to some extent tantamount to opening up the whole question afresh. I hope, however, this will not be necessary, as on examining the two points raised, I am inclined to expect that on reconsideration the Government of Queensland will see fit to affix that unconditional approval to the Memoranda, which is necessary, according to the terms therein contained, to enable them to be forwarded to the other Colonies.

The first point, about the guarantee being payable only whilst the cable is in working order, is undoubtedly a question to be dealt with when the guarantee is given. Provision will have to be made to guard against failure of cable and to preserve it in working order; but the Colonies guaranteeing will be parties to the agreement, and this and other points will have to be dealt with by them jointly. At present there seems no object to be gained by loading the Memorandum with conditions.

The second point, about the cost of service between Queensland and New South Wales, is one with which the two Colonies will have to deal. By the agreement, you will observe that New South Wales and Queensland are together to contribute ten thousand pounds (£10,000), it being between them a matter of arrangement what amount each shall pay. The whole money goes to the contractors with whom the contract is already made. Similarly, Victoria is asked for six thousand pounds (£6,000), she having to make her own arrangements for connecting with New South Wales. When you consider that Sydney is to be the terminus of the Californian Service, I am sure you will agree to make such an arrangement with Queensland as will remove the objection raised.

I have, &c.,  
W. GISBORNE.

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

## No. 32.

Dr. KNIGHT to the Hon. W. GISBORNE.

SIR,— Sydney, 28th January, 1870.

I have the honor to enclose a copy of the letter which I addressed to the Colonial Secretary of Victoria, in reference to the transit of Colonial mails from San Francisco to Southampton.

At an interview with the Colonial Secretary in Melbourne, doubts were raised as to whether the necessary steps had been taken to secure the safe transit of these mails to Southampton; and whether the Australian Colonies would be required to enter into a separate Convention with the United States for the territorial transit of their mails from San Francisco to New York. It was also a matter of inquiry, what expenses would be incurred by the Australian Colonies for the carriage of their mails from San Francisco to New York, and from the latter port to Southampton?

In respect of the question, whether a separate Convention with the United States is required, it is sufficiently clear that the Postal Convention between the United States and Great Britain includes the correspondence between Great Britain and her Colonies; and in reference to the cost of transit of British and Colonial mails through the United States, the Convention provides that 3½ cents per ounce is to be paid to the United States. It is to be observed, however, that a similar rate is to be paid to Great Britain for the inland carriage of United States correspondence through Great Britain. Probably, therefore, the same rate would be paid by the United States, for the inland carriage of its correspondence in the Australian Colonies. I have not in my letter to the Colonial Secretary of Victoria alluded to this probable set-off against the territorial charge of the United States.

It will be seen from the enclosed letter that I am of opinion no expense in addition to the territorial charge of the United States will fall upon the Australian Colonies for the carriage of mails between San Francisco and New York, with the exception of a trifling charge for office accommodation at San Francisco and New York.

I have, &c.,  
CHARLES KNIGHT,  
Auditor-General, N.Z.

The Hon. the Colonial Secretary,  
Wellington.