

to more than one port in New Zealand would be an undue advantage to that colony, and, I submit, is not necessary, inasmuch as the local mails might be forwarded to Auckland, as our local mails are forwarded to Melbourne.

And, again, by your amended proposal, steamers leaving Melbourne would have to tranship at Auckland, by which passengers would not be certain of the accommodation they could secure, nor could freight be arranged in a manner satisfactory to the shippers. In order that Mr. Webb may obtain the large trade which this colony can supply, we must be able to have in Hobson's Bay the steamers we are transacting business with.

I submit, therefore, that Victoria, which is asked to share in a liability already incurred, should have a right to select from which port the through voyage should be made, and we decidedly prefer that Melbourne should be that port.

The members of the Government will be happy to confer with you, personally, on the details of the proposed service, at eleven o'clock to-morrow, at the General Post Office.

The Hon. Julius Vogel.

I have, &c.,
C. GAVAN DUFFY.

No. 17.

The Hon. J. VOGEL to the Hon. C. GAVAN DUFFY.

SIR,—

Melbourne, 5th March, 1872.

In reply to your letter of this day's date, I have the honor to say that I cannot see how, under the arrangement proposed, Victoria would be prejudiced, whether the boats called at a single port in New Zealand or at three or four ports. Even if it could be shown that Victoria would be affected by the additional ports called at, it must be remembered that the distance from San Francisco to Melbourne is 800 miles in excess of that from San Francisco to Port Chalmers; so that, in the course of a year, under the agreement proposed, Victoria would receive, for the same amount of money, 20,000 miles of steaming more than will be required for the New Zealand service. If a set-off were necessary against the number of New Zealand ports to be visited under the joint contract, it would surely be supplied by the excess of mileage in favour of Victoria. Besides, if the Victorian Government desired that the vessels coming on to Melbourne should proceed to other Victorian ports, the New Zealand Government would have no objection.

But, further, I submit that New Zealand is entitled to consideration on account of its having initiated the Californian Service, and of its having been the means of making all arrangements hitherto; and also, on account of the fact that, before the proposed arrangement with Victoria can come into force, New Zealand will have spent a very large sum of money upon the service.

However, as we each wish that the vessels should proceed through from our respective colonies to San Francisco, I am willing to pay, or to receive, £5,000 for the right of choice: that is to say, I will agree that New Zealand shall pay £32,500 per year towards the subsidy of £60,000, if it has the choice of route, leaving £27,500 a year to be paid by Victoria; or, that Victoria shall pay £32,500 and New Zealand £27,500, if Victoria have the choice.

I shall have much pleasure in meeting you to-morrow, as you propose.

The Hon. the Chief Secretary, Victoria.

I have, &c.,
JULIUS VOGEL.

No. 18.

The Hon. C. GAVAN DUFFY to the Hon. J. VOGEL.

SIR,—

Chief Secretary's Office, Melbourne, 6th March, 1872.

I have the honor to state in writing the decision arrived at during our conference to-day, on the subject of terminus. This Government considered it necessary to insist that the steamer from Melbourne should proceed through to San Francisco. As you stipulate that the choice shall involve a payment of £32,500 as against £27,500, we take the option, and consent to pay £32,500, on condition that Victoria shall be recouped £2,500, by that amount being made a first charge on any sum obtained as subsidies from other colonies, divisible (in the terms of our agreement) between Victoria and New Zealand.

The conditions of the agreement will be immediately reduced to a contract, for our joint signature, to bind the colonies as soon as the sanction of our respective Legislatures shall have been obtained.

A time table will be prepared in the General Post Office for your consideration, framed to secure, as far as it is practicable, the benefit of a fortnightly mail, by alternating with the Suez line.

The Hon. Julius Vogel.

I have, &c.,
C. GAVAN DUFFY.

No. 19.

The Hon. J. VOGEL to the Hon. C. GAVAN DUFFY.

SIR,—

Melbourne, 6th March, 1872.

I have the honor to acknowledge the receipt of your letter of this day's date, detailing the result of our interview to-day.

As Mr. Webb must leave by the outgoing Californian mail, it will be a boon to him to have the contract put into shape with as little delay as possible.

The Hon. the Chief Secretary, Victoria.

I have, &c.,
JULIUS VOGEL.