

No. 40.

The Hon. Mr. FRANCIS to the Hon. W. GISBORNE.*

SIR,—

Chief Secretary's Office, Melbourne, 29th June, 1872.

The present Government of Victoria, having carefully considered the provisional contract entered into by their predecessors, in conjunction with the Government of New Zealand, and Mr. Webb on behalf of himself and Mr. Holladay, for a mail service *via* California, have arrived at the conclusion not to recommend its ratification to Parliament. I think it due to you to give you early intimation of our decision, and for your better information I enclose copy of a letter addressed to the Agent-General of this Colony by the last mail.

I have, &c.,

J. G. FRANCIS.

The Hon. the Colonial Secretary, New Zealand.

P.S.—You will be so good as to observe that the accompanying letter is sent for your information only, and not to be made public.

J. G. F.

No. 41.

The AGENT-GENERAL to the Hon. the COLONIAL SECRETARY.

7, Westminster Chambers, Victoria Street,

SIR,—

Westminster, S.W., 26th June, 1872.

I have the honor to enclose you a copy of a letter addressed by Mr. Childers and myself to the Secretary of State for the Colonies, on the subject of the San Francisco Mail Service.

I have reason to believe that our proposals will be agreed to with the following modifications—*viz.*, that the subsidy of £20,000 shall only be granted for a period of three years. I myself shall not object to this, as the whole question of postal services from the United Kingdom and the Australasian Colonies will have to be considered previous to the termination (some eighteen months hence) of the present contract with the Peninsular and Oriental Company, when, if the San Francisco service be properly organized and performed, we may reasonably expect an increased contribution towards it from the Imperial Government.

As we have pressed for and been promised an early reply, you will probably receive a telegram stating the result long before the arrival of the present mail.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. W. Gisborne, Wellington, New Zealand.

No. 42.

H. C. E. CHILDERS, Esq., M.P., and the AGENT-GENERAL, to the Right Hon. the SECRETARY of STATE for the Colonies.

8, Victoria Chambers, Victoria Street,

MY LORD,—

Westminster, S.W., 25th June, 1872.

We have the honor to inform your Lordship that the Governments of Victoria and New Zealand have entered into a contract with Messrs. Webb and Holladay, of "The United States, New Zealand, and Australian Steam Ship Line," which, when approved by their respective Legislatures, will have the effect of superseding the existing contract with the New Zealand Government, under which some of the Australian mails are now carried to the United Kingdom through the United States.

2. The principal terms of the contract are—That Melbourne shall be the port of departure for San Francisco; that Victoria shall pay a subsidy of £32,500, and New Zealand one of £27,500, towards the service; that the contracting Governments shall have power to admit, on the payment of suitable subsidies, the Governments of New South Wales, South Australia, Tasmania, and Queensland, to share in its advantages; the power of making agreements to that effect with the Governments of South Australia and Tasmania being in another instrument delegated by the New Zealand Government to the Postmaster-General of Victoria; that the Contractors shall be at liberty to carry mails between New Caledonia and the Pacific Islands, and between those Islands and Victoria, but not from any other region of Australasia, save under this contract; that the service shall be performed by steam ships starting, one from San Francisco and one from Melbourne, every twenty-eight days, calling at Auckland and other specified ports in New Zealand, and, in the case of the vessel arriving from San Francisco, transhipping the Victorian mails at Auckland; that these steamships may also call at two intermediate places, and no more, between Auckland and San Francisco, and that such two places may be at any of the Hawaiian, Society, or Navigator's Islands; in fine, that the voyage from Melbourne to San Francisco shall be accomplished, under penalties, within 780 hours (32½ days), and the voyage from San Francisco to Auckland within 600 hours (25 days), with similar arrangements as to the lesser intervening distances.

3. It is proposed by the contracting Governments that this service shall, as nearly as possible, alternate fortnightly with the service conducted under contract with the Peninsular and Oriental Company; and that as the departure from London of the Colonial mails now sent by San Francisco is fixed at a fortnight after the despatch of those sent by Brindisi, so, under the new contract, mails will be despatched from Melbourne, by the United States, New Zealand, and Australian Line, fifteen days after the departure of the Peninsular and Oriental Company's steamer from that port. It is not expected that, at present, the service between Melbourne and London by San Francisco can be effected within the same limit of time as that which suffices for the conveyance of the mails from Melbourne

* This letter crossed on the way the letter addressed to the Chief Secretary, Victoria, on the 27th June.