

I at once declined to entertain the proposal, on the ground, not only that the price was excessive, but that they were not justified in breaking an existing engagement without giving any intimation of their intention, and without allowing the Government a reasonable time for making other arrangements, more especially as they were aware of the large number of emigrants with whom I had already made engagements. The interview ended with an undertaking on my part to telegraph their proposal to you, and on their part to carry on the service to the end of April.

6. On receiving your telegram, in reply to mine of the 20th February, I communicated your decision to them.

7. Finding, after several personal interviews, that they were pledged to one another not to yield, I placed myself in communication with other firms, and instructed certain brokers to procure me ships on the best terms they could. In the course of a week or ten days, five ships were offered to me at rates varying from £3 6s. 6d. to £3 8s. 6d. per ton register. These rates are high, but not so high as the New Zealand Shipping Company had repeatedly been obliged to pay. There was, however, no choice in the matter. I was committed to a certain course which admitted of no hesitation, I therefore agreed to charter all four vessels at the rates at which they were offered.

8. The prospect of new firms being introduced into the New Zealand trade, and of my reducing freights, alarmed the firms, and though they at first threatened to lower freights to the same rate I did, and to use their "utmost influence to prevent me getting an ounce of cargo," they soon became convinced (especially when they ascertained that I had authorized the brokers to charter a number of vessels sufficient to meet my requirements for the next three months) that they would be playing a losing game—a game which would entail far heavier losses upon them than upon the Government, seeing that the Government could always give its ships a full complement of passengers, and had, fortunately, at the time an unusually large quantity of cargo of its own ready for shipment, and they therefore felt that they had no alternative but to accept the £14 10s., which they did barely in time to prevent my chartering two or three more ships.

9. The object of the Government being thus gained, and knowing that the Government would not desire to inflict unnecessary loss on them, I agreed to their proposal that they should act as my brokers, on their pledging themselves that they use the same exertions in procuring cargo for the ships as if they had been chartered by themselves.

10. Assuming that, between the 1st of April last and the 31st of December, 24,000 emigrants will be despatched, the saving to the Government effected by this arrangement (being the difference between £16 and £14 10s. per adult) will be £36,000.

11. There are still some details to arrange, but I do not apprehend that these will give rise to any serious difficulty.

12. I shall of course report fully to you on the financial part of the transaction.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G. Wellington.

No. 7.

The AGENT-GENERAL to the Hon. J. VOGEL.

(No. 1275.)

SIR,—

7, Westminster Chambers, 1st June, 1874.

Referring to your telegram, received here on 19th May, relative to the character of Mrs. Howard's selections, I have the honor to inform you that before receiving that telegram I had expressed to Mrs. Howard my extreme dissatisfaction, and had dispensed altogether with her services. It was represented to me that the persons recommended were from an Orphan Asylum, and my authority was strictly limited to persons of that class. When too late to prevent the mischief, I found that Mrs. Howard had been taking all applicants indiscriminately, and forwarding the certificates for approval.

I have, &c.,

I. E. FEATHERSTON,

Agent-General.

The Hon. Julius Vogel, C.M.G., Wellington.

No. 8.

The AGENT-GENERAL to the Hon. J. VOGEL.

(No. 1281.)

SIR,—

7, Westminster Chambers, 2nd June, 1874.

Referring to your despatch of 12th March (No. 57), and to your telegram thereon, received here on the 26th April last, I have the honor to enclose for your information a tabular statement showing the number of emigrants ordered for each province from 1st March to 31st December, the number despatched to each province from 1st March to 31st May, and the number to be despatched between the 1st June and 31st December, 1874.