

1877.

NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE

(FURTHER PAPERS RELATING TO).

In continuation of Papers presented to Parliament, 31st July, 1877.

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

2nd May, 1877.

SIR,—

I have the honor to acknowledge the receipt of Mr. Gray's letter of the 10th March, enclosing copy of the correspondence which has passed between the Governments of New Zealand and New South Wales concerning the mail service. Not published.

I was glad to receive this correspondence. It came very opportunely in reference to the question of obtaining the consent of the sureties, about which I am separately addressing you.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

No. 2.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

2nd May, 1877.

SIR,—

I have the honor to enclose you copy of two telegrams received by the Agent-General of New South Wales from his Government, and communicated by him to me. I also send you the copy of communications upon the subject sent to me by Messrs. Mackrell and Co.

Mr. Forster, the Agent-General for New South Wales, and I, subsequently had an interview with Messrs. Mackrell and Co., and agreed upon the course to be followed. The telegram to be sent to the New York lawyers was altered. As it was submitted to me it stated that the offer was made by Messrs. Cunningham and Forbes, whereas it was only made by Cunningham.

Regarding the sureties' bond, I represented that, with the materials at our command, it would be a great risk to go into the details of the contract; and that what we should do was to endeavour to obtain from the sureties a deed of temporary consent and approval to all changes agreed upon between the Governments and the Contractors. Mr. Mackrell, after reflection, and Mr. Forster, approved this, and such a deed is in course of preparation. It is to recognize and indorse all past deviations from the contract—a most important point.

You doubtless have already concluded that, to give effect to the alterations proposed in the contract, a new agreement will have to be made. Messrs. Mackrell and Co. have enumerated, in their letter of the 28th April, some of the points which will have to be considered: there are others also Enclosure 11 likely to arise. As the consent of the sureties will have to be obtained, it will be necessary in No. 2. to prepare the agreement in London, or else to submit it here after preparation in the colony. Mr. Mackrell expressed a strong opinion that it would be desirable to have it remodelled here. You will best be able to come to a conclusion on the subject.

I venture to make a few comments on some of the points that are likely to arise. Mr. Mackrell agrees with me in attaching importance to the alteration respecting the number of ships to be used. The present number, five, will, of course, be reduced to four; but, of these four, one will