

No. 19.

The AGENT-GENERAL to the Hon. the MINISTER for IMMIGRATION.

(No. 59.)
SIR,—7, Westminster Chambers, Victoria Street, Westminster, S.W.,
12th January, 1877.

Referring to your letter No. 244, of 16th November last, I have the honor to enclose you copy of correspondence with Mr. Galbraith, the representative of the Albion Shipping Company, which has arisen in consequence of their being furnished with copies of the shipping contract of November 16th, and intimation being given to them, in terms of your letter, that they had agreed to continue the Clyde business upon the terms arranged with the New Zealand Shipping Company.

I should be glad to know what course you desire me to pursue in respect to shipping emigrants from the Clyde. As there is no immediate necessity for making arrangements for Clyde shipping, I have merely communicated to the New Zealand Shipping Company the Albion Company's decision without comment of any kind. I enclose a copy of my letter.

The Hon. the Minister for Immigration,
Wellington.I have, &c.,
JULIUS VOGEL,
Agent-General.

Enclosure 1 in No. 19.

Mr. W. KENNAWAY to Messrs. P. HENDERSON and Co.

SIRS,—
7, Westminster Chambers, Victoria Street, London, S.W.,
5th January, 1877.

I am directed by the Agent-General to transmit two copies of the contract for the conveyance of emigrants and cargo, as finally arranged between the Government in New Zealand and the New Zealand Shipping Company, and under the provisions of which you have agreed to continue to convey emigrants and cargo from the Clyde.

I have, &c.,
WALTER KENNAWAY,
Secretary to the Agent-General's Department.

Messrs. P. Henderson and Co., Glasgow.

Enclosure 2 in No. 19.

Mr. J. GALBRAITH to the AGENT-GENERAL.

DEAR SIR,—
15, St. Vincent Place, Glasgow, 11th January, 1877.

I received from Glasgow, as I was about to leave London, your Secretary's letter of 5th instant, which I replied to very shortly yesterday, being unable to write so fully as I desired on the matter it referred to. When I had the pleasure of seeing you last week, you read to me a despatch advising you that a renewed contract had been made by the Government of New Zealand with the New Zealand Shipping Company for conveyance of emigrants and Government freight. Though the concluding paragraph of the despatch appeared to me somewhat obscure, you stated your understanding of it to be an instruction to you to offer, on similar terms, to my firm (as representing the Albion Shipping Company) the portion of the Government requirements from the Clyde to Otago. I said to you at once that I could not on those terms accept a contract from the Clyde alone, though I would be ready to do the Clyde and London service to Otago conjoined, and that I must leave it to the New Zealand Shipping Company to execute the Clyde as well as the London portion of the contract. You seemed to doubt if that Company was bound to do the Clyde service, and I expressed my consequent regret at being unable to accede to the Government proposal, as you would find no small difficulty, even on much higher terms, in getting any one to undertake the opposition to the Albion Shipping Company's line from Clyde, which a contract for conveyance of emigrants from Glasgow involved—a difficulty which the late Agent-General had found insuperable. I am now glad to find that the copy of contract Mr. Kennaway forwarded is one between the New Zealand Government and the New Zealand Shipping Company for the conveyance of Government passengers and cargo from Great Britain, so that this Company will be obliged to take the bad with the good—and very bad they will find the Clyde portion when they come to fulfil it. As I stated to you, the rate at which the contract is taken for emigrants is a very low one, at which, *per se*, there is not only no margin for profit to shipowner, but an absolute loss; the rates for cargo, however, are about thirty per cent. in excess of those now ruling for general mercantile cargo, and so the contract on the whole is a favourable one. But the portion from the Clyde, though nominally for passengers and cargo, is really for the former alone, scarcely any Government cargo being shipped from Glasgow. During last year the New Zealand Shipping Company, under their contract from London, conveyed thousands of tons of Government cargo at rates nearly double those current for general cargo, whilst the Albion Shipping Company had no benefit whatever in this way under their contract from Clyde. You will thus see how greatly benefited the New Zealand Shipping Company would be if the Government could arrange to relieve them from the non-paying portion of their contract. I have hesitation in putting forward to you any unfavourable comment on the action of the New Zealand Government; but I venture to express my opinion that such, in respect to this contract with the New Zealand Shipping Company, has been very unfair to the Albion Shipping Company. That Company has now for a very long period conveyed emigrants for the Provincial Government of Otago and the General Government of New Zealand without a single mishap to any one ship, and, as far as I recollect, without an official complaint as to the manner in which the contract work has been carried out. A few years ago, as is well known to the Government, the Albion Shipping Company, at the