

I am to direct your particular attention to clauses 6, 7, and 8, of the memorandum, and to state that the document has been forwarded for your information, and in anticipation of your being shortly requested by telegram to take the necessary steps for having an amended agreement prepared and executed, it being considered desirable that the agreement should be prepared in London.

By a subsequent mail you will be communicated with as to giving practical effect to clause 7 of the memorandum.

I have to enclose copy of a telegram sent you on the 12th instant; and also printed copy of the existing San Francisco Mail Service Contract, with proposed alterations to be embodied in the amended agreement.

I am also to state that the Hon. Mr. Burns and the Hon. Mr. Fisher agree that the payment of premiums and penalties shall be based on the duration of through voyages; and that the sum be paid and shared equally between the two colonies.

Sir Julius Vogel, K.C.M.G.,

Agent-General for New Zealand, London.

I have, &c.,

W. GRAY,

Secretary.

Enclosure 1 in No. 2.

EXTRACT from MEMORANDUM agreed to by the Postmasters-General of New South Wales and New Zealand.

WE are of opinion—

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6. That the Agents-General for New South Wales and New Zealand should be instructed by telegram to request the Contractors for the Pacific Mail Service to propose a fresh surety, in the room of Mr. MacGregor, for the due performance of the service.

7. That the Agents-General should be also requested to unite with the Agents-General for the other colonies in moving the Secretary of State for the Colonies to cause the aid afforded by the Imperial Government since 1873 to the Pacific, Suez, and Torres Straits Mail Services to be continued for a further period.

8. That the Colonies of New South Wales and New Zealand should (in view of the desirability of establishing uniform postal regulations of universal application, calculated to give the public the largest amount of accommodation possible, without useless and vexatious restrictions) join the Berne Postal Union; provided, however, that no reduction be made in the rate of postage for the ocean services; that the cost of the transit of the mails between San Francisco and New York or Boston be not charged to the colonies; and that the restrictions which have already or which may hereafter be imposed by local legislation in reference to wholly unpaid correspondence are not interfered with.

Wellington, 11th July, 1878.

J. F. BURNS.

J. T. FISHER.

Enclosure 2 in No. 2.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

FR'ISCO Contract.

Confer with Forster, and jointly apply Contractors to submit fresh surety in place of MacGregor.

Sir J. Vogel, London.

Wellington, 12th July, 1878.

G. GREY.

No. 3.

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

SIR,—

7, Westminster Chambers, London, S.W., 13th August, 1878.

I have the honor to enclose copy of a letter I have received from Messrs. John Mackrell and Co., on the subject of the naming of a surety to replace Mr. MacGregor in the contract with the Pacific Mail Steamship Company. On this letter I addressed the subjoined memorandum to the Agent-General for New South Wales, and afterwards had a conversation with him on the subject; and we both agreed on the result as set forth in his memorandum, of which you will also find a copy enclosed.

I have, &c.,

The Hon. the Postmaster-General,
Wellington.

JULIUS VOGEL,
Agent-General.

Enclosure 1 in No. 3.

Messrs. MACKRELL and Co. to the AGENTS-GENERAL for New South Wales and New Zealand.

21, Cannon Street, London, E.C., 27th July, 1878.

GENTLEMEN,—

New Postal Contracts.

In compliance with your instructions we have communicated with the Pacific Mail Steamship Company, and requested them to be good enough to name another surety in the place of Mr. MacGregor, who has failed, for the due performance of these contracts.

We have communicated with the trustee of Mr. MacGregor's estate to ascertain the present position of the matter, and he informs us that no dividend has yet been declared, and that there will be a meeting on the 11th September for the declaration of the dividend, at which the Governments should make a proof for any sum which may be due to them.