

General Vilas's promised payment of £4,000 a year towards the cost of the San Francisco service. It is to be hoped he will have no difficulty in making the payment.

Messrs. J. and D. Spreckels, San Francisco, California.

I have, &c.,
W. GRAY,
Secretary.

No. 81.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 26th February, 1886.

As suggested in your telegram of the 4th instant, a letter has been addressed to the Postmaster-General, Washington, by the outgoing mail, enclosing copy of contract, and drawing special attention to clauses 10 and 11. General Vilas has also been urged to make payment to the contractors.

The Secretary, General Post Office, Sydney.

I have, &c.,
W. GRAY,
Secretary.

No. 82.

The Hon. Sir J. VOGEL to the AGENT-GENERAL, London.

SIR,—

General Post Office, Wellington, 16th March, 1886.

I have the honour to acknowledge the receipt of your letter of the 28th November last,* referring to the San Francisco service. I thank you for your congratulations.

The break at Honolulu has hitherto been avoided, and I expect the contract will shortly be so altered as to avoid it. The matter is under the consideration of the Government of New South Wales.

I doubt if the Canadian transcontinental route will give us so quick or so sure a service. Besides that, it will be without attractions to passengers, and not likely to prove useful for trading purposes. At present we are bound to the San Francisco route. In case of war with any country but America, that route would be of signal value; whilst in case of war with America, the Canadian route would be a risky one.

I have, &c.,

JULIUS VOGEL,
Postmaster-General.

Sir F. D. Bell, K.C.M.G., Agent-General for New Zealand.

No. 83.

The Hon. Sir J. VOGEL to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Waiwera, 4th February, 1886.

Union Company are willing to alter Frisco contract to permanently do service without break at Honolulu for additional seven thousand pounds yearly. We think break at Honolulu not unsatisfactory, but we will be willing to alter it in deference to what are understood to be the wishes in Sydney. We will pay one-half the seven thousand pounds, or, if you think we ought to do so, we will pay the same proportion as for rest of contract money—namely, two-thirds. Very desirable definitely settle matter.

The Postmaster-General, Sydney.

JULIUS VOGEL.

No. 84.

The Hon. F. B. SUTTOR to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 23rd March, 1886.

This Government will pay one-third of sum required by Union Company for carrying on Frisco service without break, as stated in your telegram of the 4th February, provided total to be paid by both colonies does not exceed seven thousand pounds yearly. Think company may take a lower sum. This arrangement to be subject to approval of Parliament. Will submit resolution as soon as I hear from you. Excuse delay in replying to you. Change of Government and my illness cause.

F. B. SUTTOR,

Sir Julius Vogel, Postmaster-General, Wellington.

Postmaster-General.

No. 85.

The Hon. Sir J. VOGEL to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 26th March, 1886.

Union Company will not take less than seven thousand. Have agreed with them for that sum, beginning with voyage "Mariposa" on way from San Francisco, and including "Alameda's" present voyage. We pay two-thirds, you one-third. Agreement subject to approval your Parliament.

Hon. F. B. Sutor, Postmaster-General, Sydney.

JULIUS VOGEL.

No. 86.

The ACTING-SUPERINTENDENT of FOREIGN MAILS to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Washington, D.C., 2nd April, 1886.

The Postmaster-General instructs me to acknowledge receipt of your communication of the 26th of February in respect to the mail service between Sydney, Auckland, Honolulu, and