

of monthly steamers to touch at Honolulu at dates intermediate between the calls of the present Australian steamers, thus giving them two steamers per month for the magnificent subsidy of \$10,000 per annum.

"This explanation will convey to you our reason for depriving our Island friends temporarily of mail accomodation, which has, through the regularity of our ships, become a necessity to them; also, will show what we design accomplishing thereby.

"The steamers inwards will continue to call at Honolulu, but, until the gentlemen of the Committee are willing to do us justice, we will leave the Island mails outward to be sent by other carriers.

"We beg the favour of you to make known to your Government that our sole object in going by the Port of Honolulu is to obtain what we conceive to be simple justice; at the same time be pleased to assure your postal authorities that in so doing it has not been our intention to injure in any manner the interests of a single citizen of New Zealand or Australia, or omit the full discharge and faithful compliance with a single duty which devolves on us as mail contractors with the great British colonies."

I think I am also at liberty to mention that the difficulty herein referred to has been removed. The General Manager of the Mail Company who arrived here by the "City of Sydney" made such arrangements with the Government at Honolulu that a vessel was despatched to San Francisco instructing the Agents to permit the s.s. "Australia" to call, and I presume by her not calling that the vessel could not have arrived in San Francisco in time.

S. B. Biss, Esq.,
Chief Postmaster, Auckland.

I have, &c.,
G. B. OWEN, of OWEN and GRAHAM.

No. 30.

Mr. GRAY to the CHIEF POSTMASTER, Auckland.

SIR,—

General Post Office, Wellington, 27th August, 1877.

I have to acknowledge the receipt of your communication of the 13th instant enclosing a letter from Messrs. Owen and Graham, agents at Auckland for the contractors for the San Francisco Mail Service, in explanation of the s.s. "Australia" having been despatched from San Francisco for Auckland direct on her last downward voyage.

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

The Chief Postmaster, Auckland.

No. 31.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

Sydney, 31st July, 1877.

I am directed to transmit herewith copies of recent correspondence between this department and Messrs. Gilchrist, Watt, and Co., the agents in Sydney for the San Francisco Mail Contract, having reference to the omission of Honolulu from the route between this colony and San Francisco.

I have, &c.,
S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, Wellington.

Enclosure 1 in No. 31.

MESSRS. GILCHRIST, WATT, and Co., to the Hon. the POSTMASTER-GENERAL, Sydney.

SIR,—

Sydney, 21st July, 1877.

We have the honor to advise the receipt of the following cablegram from the Pacific Mail Steamship Company:—

"San Francisco.—Trinidad, omitting Honolulu;" which, by the code, means that the mail steamer "Australia" left San Francisco for Sydney on the 18th instant (table date), and will *not* call at Honolulu.

We have, &c.,
GILCHRIST, WATT, AND Co.

The Hon. the Postmaster-General, Sydney.

Enclosure 2 in No. 31.

MR. LAMBTON to MESSRS. GILCHRIST, WATT, and Co., Sydney.

GENTLEMEN,—

General Post Office, Sydney, 25th July, 1877.

I am directed to acknowledge the receipt of your letter, dated the 21st instant, stating that you have received the following cablegram from the Pacific Mail Steamship Company:—

"San Francisco.—Trinidad, omitting Honolulu;" which, by the code, means that the mail steamer 'Australia' left San Francisco for Sydney on the 18th instant (table date), and will *not* call at Honolulu;" and in reply I am to inform you that the contract provides that mails shall be conveyed by way of Honolulu, and therefore not calling at that port is a breach of the contract.

I have, &c.,
S. H. LAMBTON,
Secretary.

Messrs. Gilchrist, Watt, and Co.,
General Agents for Contractors, San Francisco Mail Service, Sydney.