

1877.

NEW ZEALAND.

# SAN FRANCISCO MAIL SERVICE

(FURTHER PAPERS RELATIVE TO).

(In Continuation of Papers presented on the 21st October, 1876.)

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

## No. 1.

The Hon. J. ROBERTSON to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,— Colonial Secretary's Office, Sydney, 24th November, 1875.

I have the honor to transmit to you copies of two letters received by me—the one from the firm of R. Towns and Co., of Sydney; the other, of earlier date, from Mr. Alexander Stuart of that firm—proposing a compromise of the claim which the Governments of New South Wales and New Zealand have upon Mr. Edward Cunningham and other parties to the late San Francisco Mail Contracts.

I have the honor to request that the attention of the New Zealand Government may be given to these communications, and that its views may be communicated to this Government.

I have the honor to add that it appears to this Government that a very convenient time for dealing with this matter will be on the arrival here of Sir Julius Vogel.

I have, &c.,  
JOHN ROBERTSON.

The Hon. the Colonial Secretary, Wellington.

## Enclosure 1 in No. 1.

Mr. ALEX. STUART to the Hon. the COLONIAL SECRETARY, Sydney.

SIR,— Sydney, 29th May, 1875.

I have the honor to address you on behalf of Edward Cunningham, Esq., of Boston, one of the sureties to the bond of Hall and Forbes, in the unfortunate San Francisco Mail Contract.

I understand that the united Governments have commenced proceedings against Mr. Cunningham for the recovery of the bond penalties of £25,000.

My object in writing you is to ask you to suspend these proceedings with a view to coming to some amicable settlement with Mr. Cunningham. It may be perfectly true that Mr. Cunningham has, through an act of imprudence, rendered himself legally liable to the combined Governments in the penal sum of £25,000; but there are many extenuating circumstances which should be taken into consideration in mitigation of these severe penalties.

When Mr. Forbes entered into the contract he was possessed of considerable means, and possessed also nearly as unbounded faith in the ability of Mr. H. H. Hall as did the Government of New South Wales itself—faith very much heightened indeed by the very credentials with which the Government had armed him.

Mr. Forbes has for many years taken a prominent interest in the development of ocean steam communication, and, with his usual enterprise, took up the Australian line with the full intentions of carrying it to a successful issue.

Owing partly to the natural difficulties attending the opening up of a new line of communication, and partly to the rapid succession of a series of disasters which no prudence could have foreseen, the result has been most disastrous and disappointing to the colony in the delay and trouble which has been caused, but disastrous in the highest degree to Mr. Forbes, who has sunk upwards of £40,000 in attempting to establish this service on a permanent and satisfactory footing. This is of itself a fearful penalty, and one which entitles him to ask forbearance and sympathy on the part of the Governments, rather than a pushing to the extreme of the heavy penalties involved in the payment of another £25,000, a sum which it is utterly beyond his power to pay, and which must therefore fall upon his friend and surety, Mr. Cunningham, who has already suffered heavily by having to assist Mr. Forbes in paying up the heavy demands which came in upon him when the temporary service was broken up.