No. 39.

Messrs. Gilchrist, Watt, and Co., to the Hon. the Postmaster-General.

SIR, Sydney, 22nd August, 1876. We have the honor to acknowledge receipt of your letter of 29th July. By the outgoing mail we send a copy of your letter and enclosure to the Pacific Mail Steamship Company, to be dealt with by them, as we have no knowledge of any such claim, nor authority to confirm such deduction as proposed by you.

We have, &c.,

GILCHRIST, WATT, AND Co., General Agents for the Contractors, San Francisco Mail Service. The Hon. the Postmaster-General, Wellington.

No. 40.

Mr. Gray to the Secretary, General Post Office, Sydney.

General Post Office, Wellington, 29th July, 1876. Sir,-By direction of the Postmaster-General, I have the honor to forward, for the information of the Hon. the Postmaster-General of New South Wales, the accompanying copy of a communication received from Messrs. John Mackrell hnd Co. by the last mail from London.

As the Pacific Mail Steamship Company appear to be liable for the sum of £119 4s. 6d., it is the intention of this department to deduct one-half of the amount—viz., £59 12s. 3d., from the next payment to be made to the Contractors. You will, perhaps, advise this office of the action to be taken by your department with respect to the recovery of the balance, in order that Messrs. Mackrell and Co. may be informed in what manner payment will be made Messrs. Foster and Thomson.

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

The Secretary, General Post Office, Sydney.

No. 41.

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

Sydney, 26th September, 1876. SIR,-I am directed to acknowledge the receipt of your letter, dated the 29th July last, and the copy of the communication that accompanied the same, from Messrs. John Mackrell and Co., of London, as to a claim for the sum of £119 4s. 6d., on account of the services of agents at New York in connection with the settlement of the contract with the Pacific Mail Steamship Company.

In reply, I am to state that the Postmaster-General has approved of the sum of £59 12s. 3d. being In reply, 1 am to state conditions deducted on account of this colony from the earnings of the conditions, city, Messrs. Gilchrist, Watt, and Co., have been informed accordingly.

I have, &c.,
S. H. Lambton, deducted on account of this colony from the earnings of the Contractors; and that the agents in this

Secretary.

The Secretary, General Post Office, Wellington.

No. 42.

Mr. Gray to the Secretary, General Post Office, Sydney.

General Post Office, Wellington, 12th October, 1876. SIR.-I am directed to acknowledge the receipt of your communication of the 26th ultimo, with reference to the sum of £119 4s. 6d. which has been deducted from the earnings of the Contractors of the Pacific Mail Steamship Company, to provide for payment to Messrs. John Mackrell and Co., of London, of the sums expended by their New York agents, Messrs. Foster and Thomson, in arranging the legal preliminaries of the contract with the Pacific Mail Steamship Company.

Would you be good enough to signify in what way you would prefer the adjustment of this matter to be effected, whether by a direct remittance from your department to Messrs. John Mackrell and Co., or by remitting your half to this colony, leaving the full settlement of the claim to go forward

from this office?

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

The Secretary, General Post Office, Sydney.

No. 43.

Messrs. Gilchrist, Watt, and Co., to the Hon. the Postmaster-General, Wellington. Sydney, 17th November, 1876.

Referring to your letter of 29th July,* in which you advise the deduction of £59 12s. 3d., moiety law costs Foster and Thomson, we have the honor to send copy of telegram forwarded by the head office of the Pacific Mail Company, through the San Francisco office, to us.

" New York, 5th October, 1876. "Notify Gilchrist, Watt, and Co. that the Pacific Mail Steamship Company cannot submit to