

effected in the contract time between Frisco and Sydney. You will no doubt receive similar letter by "City of New York." I should be glad if you would favour me on Monday with your views on proposal. Contractors urge for reply by cable, as they are anxious to commence the accelerated service at once, provided proposal accepted by our Governments.

The Hon. the Postmaster-General, Sydney.

JOHN HALL.

No. 27.

The Hon. SAUL SAMUEL to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 16th February, 1880.

PACIFIC Company's letter and your telegram received. Proposal not quite clear as to whether remuneration asked for is for one or three days. Under the contract they are entitled to payment for any time gained between Frisco and Sydney. Therefore think they must intend something more for time saved between London and Sydney. Time of departure from Frisco should at once be altered from Monday to Saturday, thus saving two days for which no bonus can be claimed. Shall be glad to learn your views. Pending receipt of clearer statement of Contractors' expectations as regards remuneration, I think the following telegram might be sent to them: "Sanctioned, provided Governments only pay for time gained between Frisco and Sydney."

The Hon. the Postmaster-General, Wellington.

SAUL SAMUEL.

No. 28.

The Hon. Mr. HALL to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, February 17th, 1880.

CONCUR in proposed telegram; also that departure from Frisco should at once be made Saturday, instead of Monday. Will you take the necessary steps for this purpose? Also send joint telegram to Agents-General informing them of change, pointing out necessity for mails from London invariably reaching New York not later than Saturday, and asking them to communicate accordingly with Imperial Post Office. I am decidedly of opinion that Contractors should only be paid extra for time saved between Frisco and Sydney.

The Hon. the Postmaster-General, Sydney.

JOHN HALL.

No. 29.

Mr. GRAY to Messrs. WILLIAMS, DIMOND, and Co.

GENTLEMEN,—

General Post Office, Wellington, 28th February, 1880.

I have the honor, by direction of the Postmaster-General, to acknowledge receipt of your letter of the 16th ultimo, in which you propose, in the event of the contracting Governments consenting to an earlier departure of your steamer from San Francisco, to shorten the time between London and the colonies by three days—namely, by despatching your steamer from San Francisco on Saturday instead of Monday, and by gaining a full day on the voyage to Auckland and Sydney.

The Postmaster-General is exceedingly gratified to receive so tangible a proof of the desire of the Contractors, as expressed in your letter, to accelerate the San Francisco Service; and, in conjunction with the Postmaster-General of New South Wales, readily acquiesced in your proposal. The necessary telegram was at once forwarded you by the Postmaster-General of New South Wales, intimating that the two Governments sanctioned the earlier departure from San Francisco.

A telegram was also sent the Agents-General in London informing them of your proposal and its acceptance, and requesting that the Imperial Post Office authorities be moved to forward the New Zealand and Australian mails by the swiftest steamers, giving preference to those which arrive at New York on Saturday mornings.

I forward you copies of telegrams exchanged between the Postmaster-General of New South Wales and this colony in connection with the proposal now under review. You will observe that there is a doubt expressed whether or not the earlier departure from San Francisco involved an extra payment.

The telegram to you was worded, "Sanctioned, provide Governments only pay for time gained between San Francisco and Sydney," to show that, while there was an uncertainty as to the pecuniary effect of your proposal, the Postmasters-General were decidedly of opinion that payment should not be made in respect of the earlier departure from San Francisco.

The Postmaster-General is of opinion that the proposed shortening of the journey between London and the colonies by three days can be successfully accomplished under your proposal. By the last mail from San Francisco the department has been advised that the journey between Omaha and your city has recently been reduced by eighteen hours. If a corresponding saving is effected on the through journey from New York to San Francisco, there seems little doubt that the final portion of the London mails should reach your city on Saturday, even supposing the Atlantic steamer did not reach New York earlier than Sunday morning, but prior to the departure of the train for San Francisco. The possibility of gaining a full day on the voyage to Auckland and Sydney seems beyond question, as the steamers at present generally reach Auckland a day in advance of the due date of arrival.