

1881.
NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE

(FURTHER PAPERS RELATIVE TO).

[In continuation of Papers presented on 17th August, 1880.]

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

No. 1.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 8th April, 1880.
I have the honor to transmit herewith copy of a letter addressed to the Agent-General for New South Wales and myself by the President of the Pacific Mail Steamship Company, in reply to our joint letter to that company of the 1st March last,* on the subject of the alteration of the day of departure of the mails from San Francisco, a copy of which I enclosed to you in my letter No. 188, of the 10th March.†

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 1.

The PRESIDENT, Pacific Mail Steamship Company, to the AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND.

Pacific Mail Steamship Company's Pier, foot of Canal Street,
New York, 18th March, 1880.

GENTLEMEN,—

We are in receipt of your valued favour of the 1st instant, from which we note that you duly received our telegram of the 22nd February respecting change in dates of sailing our Australian ships from San Francisco, and that you have duly informed our London agents of the change; for which please accept our thanks.

We also note that you have received a message from the Government at Sydney directing you not to alter the day of departure of the mails from London—*i.e.*, from Thursdays to Tuesdays—as had been intended by your good selves, but merely to urge London to send the mails by fast steamer. The object of this we understand to be that the time between London and San Francisco be reduced two days, which our San Francisco agents seem sanguine can be done, although we ourselves are not so confident. It is true the Central Pacific Railroad Company has reduced its time between Ogden and San Francisco six hours, and it is possible the Union Pacific Railroad Company may also reduce its time correspondingly between Omaha and Ogden. The mails at present, therefore, arrive at San Francisco about noon; and, if they arrive in New York in time to be despatched thence overland the Saturday previous, our agents claim there is little doubt they will arrive at San Francisco in time for the despatch of the Australian ship on Saturday. This, however, premises the arrival here of your Thursday mail in very quick time, which could doubtless be relied on during the summer months, but certainly could not be expected during the winter season of long passages.

We have proposed to your Government, through our San Francisco agents, to reduce our time between San Francisco and Sydney by one day, and thus improve the entire schedule between London and Sydney three days. This, at the request of the Hon. the Postmaster-General of New South Wales, who cabled us through our Auckland agent that the new semi-monthly time-table of the Peninsular and Oriental Steam Shipping Company showed better time between England and Sydney by three days, and that he desired us, if practicable, to meet the emergency.

In accordance with our previous understanding, therefore, we are advertising the "Australia" to leave San Francisco on Saturday, April 10th, "or on the arrival of the London mails," and have forwarded copy of your letter under reply to our San Francisco agents, for their guidance.

Trusting that we may be able to improve the time of the San Francisco route in the manner indicated in the foregoing,

I have, &c.,

JOHN RILEY,
President P.M.S.S. Co.

The Agents-General for New South Wales and New Zealand.

* Enclosure 1 in No. 38, F.-2, 1880.

† No. 38, F.-2, 1880.

No. 2.

Mr. GRAY to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 25th June, 1880.

I have the honor to acknowledge the receipt of your communication of the 8th April last, enclosing copy of a letter addressed to the Agent-General for New South Wales and yourself by the President of the Pacific Mail Steamship Company, in reply to your joint letter of 1st March last to the company, with respect to the earlier departure of the mails from San Francisco.

Sir Julius Vogel, K.C.M.G.,
Agent-General for New Zealand, London.

I have, &c.,
W GRAY,
(for the Postmaster-General.)

No. 3.

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

SIR,—

Agency Pacific Mail Steamship Company, San Francisco, 6th June, 1880.

We have the honor to own receipt of your valued favour dated 22nd April,* and respectfully tender our thanks to the honorable gentlemen of your department for their kind appreciation of our efforts to promote the interests of the citizens of New Zealand by the course we adopted to avert inconvenience accruing from the unfortunate accident to the steamer "City of Sydney;" also for their generous conclusion not to subject us to any pecuniary loss on that account, in view of our having, after the occurrence of the disaster, used our best endeavours to make up the time lost, by ordering our commander to press his ship and exercise unremitting diligence during the outward voyage.

We avail of this opportunity to forward to you extracts from the correspondence of the President of this company, just received at this office, which, while recognizing the generous liberality of the Postal Department of New Zealand, make reference to other points, which we deem it important you should consider.

Our President writes, "New York, 28th May, 1880.—The arrival of s.s. 'Zealandia' on the 18th instant, and your prompt despatch of her mails, noted with pleasure. They reached this city at 6 a.m. of the 25th instant, and Postmaster James had the New South Wales mails transferred to the 'Arizona,' the crack ship of the Guyon Line, by a tug down the bay. We understand that New Zealand mails went on the 'Gallia' the 26th only, because the New Zealand authorities designate the Cunard, Inman, or White Star steamers only, and that, in consequence, the New Zealand mails will probably arrive in London this time about two days after those of New South Wales, as the 'Arizona' has beaten 'Gallia's' line so far every trip. Please mention this to our colonial friends, and suggest that our worthy Postmaster is wide awake, and his discretion and impartiality can safely be trusted in all such matters, as he always has done his best to co-operate with us in giving the promptest despatch to the English mails. The copy of the letter of the Hon. W Gray, forwarded by you, has had our careful attention. Kindly express to the Colonial Government our appreciation of the justice evinced in their reply to our request forwarded through your good selves.—J B. HOWETON, President."

Referring to the letters interchanged between this agency and your department in reference to changing our sailing-days from Mondays to Saturdays, and thereby empowering us to deliver your mails two days in advance of present schedule time, we beg to say our success in carrying out that proposition, which was made solely with the intention of improving the popularity of our route, and giving increased mail facilities to your good people, depended for success solely on the postal officers of London complying with our request to start the colonial mails from that city on Tuesdays instead of Thursdays as at present; also in their selection of the swiftest steamships between Liverpool and New York to bring the mails to this continent. The proposed change would in no way have incommoded our passengers or ourselves, and would have given us much gratification in feeling that we were contributing to the welfare of your good citizens. But, as no effort has yet been made to change the day of starting the mails from London as above indicated, we doubt the utility or propriety of continuing to advertise that the steamers will sail hence on Saturdays.

We have, &c.,

WILLIAMS, DIMOND, AND Co.,
General Agents.

W Gray, Esq., Secretary, General Post Office,
Wellington.

No. 4.

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

GENTLEMEN,—

General Post Office, Wellington, 8th July, 1880.

I have the honor to acknowledge the receipt of your letter of the 6th ultimo, having reference to the late fire on board the "City of Sydney," the transport of New Zealand mails across the Atlantic homewards, and the recent alteration made in the day of departure of the mail steamers from San Francisco, with the view of shortening the time occupied in the transit of mails between London and Auckland and Sydney.

Passing to the consideration of the last-mentioned subject, I am directed to point out to you that in your original proposal there was no mention of any desire for an alteration in the day of despatch from London. In your letter of the 16th January last, you stated that the last of the English through mails had frequently arrived in San Francisco on Saturday night, and that a recent change on the railroad route between San Francisco and Sacramento had shortened the distance between the two

* Vide No. 51 of F.—2, 1880.

points, so as to change the hour of arrival at San Francisco from 6.30 p.m. to noon. Under these circumstances a departure from San Francisco on Saturday would have certainly effected a saving of two days; but this saving would have been neutralized by a corresponding alteration in the day of despatch from London.

The Postmaster-General was sanguine of your overcoming the difficulties which had attended your previous attempts to effect the Saturday despatch, but has no wish to force upon you any arrangements which you find impracticable, or injurious to your passenger traffic. At the same time, it is a matter for regret that a project emanating from you as representatives of the contractors, and entered on with such zeal and confidence, should have been allowed to fall through.

I may state in conclusion that, in deference to your wishes, the old time-table has been reverted to as affecting the arrangements for coastal distribution of New Zealand mails.

Messrs. Williams, Dimond, and Co., General Agents,
Pacific Mail Steamship Company, San Francisco.

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

No. 5.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 8th June, 1880.

Herewith I have the honor to transmit parcel containing one part of the San Francisco mail contract executed by the contractors, and twenty-five prints thereof; and one part of the bond executed by the contractors and their sureties, and six prints thereof, with a covering letter from Messrs. J Mackrell and Co. to yourself, reporting that they have obtained the completion of the new mail contract, and the bond of the members of the firm of Messrs. John Elder and Co. for the due performance of it.

Messrs. Mackrell and Co. have also furnished me with one part of the contract executed by the contractors, and six prints thereof; and one part of the bond executed by the contractors and their sureties, and three prints thereof; and these I retain at this office.

Messrs. Mackrell and Co. also inform me that they have sent to the Agent-General for New South Wales, to be forwarded to the Postmaster-General for that colony, two parts of the contract for execution by yourself and him, according to the instructions which accompany the same, a copy of which I attach hereto.

I have, &c.,
JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 5

Messrs. MACKRELL and Co. to the Hon. the POSTMASTER-GENERAL, Wellington.

21, Cannon Street, London, E.C., 7th June, 1880.

SIR,—

New Mail Contract.

We have the satisfaction of informing you that at last we have obtained the completion of the new mail contract, and the bond of the members of the firm of Messrs. John Elder and Co. for the due performance of it; and herewith we forward for your use one part of the contract executed by the Pacific Mail Steamship Company, with twenty-five prints thereof; and one part of the bond executed by the contractors, and by the members of the firm of Messrs. John Elder and Co. as sureties, together with six prints thereof.

We have, &c.,
JOHN MACKRELL AND CO.

The Hon. the Postmaster-General, Wellington.

Enclosure 2 in No. 5.

Messrs. MACKRELL and Co. to the Hon. the POSTMASTER-GENERAL, Sydney

21, Cannon Street, London, E.C., 7th June, 1880.

SIR,—

New Mail Contract.

The new contract having now been executed by the Pacific Mail Steamship Company, and the bond having been executed by their sureties, we forward herewith, for execution by you and by the Postmaster-General of New Zealand, two parts of the contract, printed on parchment.

You will observe that the contract bears date the 29th November, 1878, being the date at which it was delivered to the Pacific Mail Steamship Company for execution, at which time the Hon. J Fitzgerald Burns was Postmaster-General of New South Wales, and the Hon. J Temple Fisher was the Postmaster-General of New Zealand. If these gentlemen, or either of them, do not now hold office, the contract should be executed by the present Postmasters-General of the colonies respectively; but in that case a memorandum should be written at the foot of the prints, according to the forms sent herewith, and the Postmasters-General should then duly execute the contracts, by signing and sealing the same. You will see that one memorandum applies to the case of one of the Postmasters-General being the same, and not the other, and the other memorandum applies to the case of neither of the Postmasters-General being the same.

Having regard to the time which must necessarily elapse before the documents reach the colony, and our inability to determine which memorandum should then be made use of, we have not had a memorandum written at the foot of the engrossments.

When the two parts have been executed by you, we shall be obliged if you will forward the same to the Postmaster-General for New Zealand for execution by him, together with the accompanying letter from us.

The Postmaster-General for New South Wales.

We have, &c.,
JOHN MACKRELL AND CO.

No. 6.

The SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 2nd September, 1880.

I am directed to inform you that one part of the new contract agreement duly executed by the Pacific Mail Company, and one part of bond duly executed by their sureties, have recently been received from the acting Agent-General for this colony. In accordance with the advice of Messrs. Mackrell and Co., a special form of indorsement has been placed upon these documents to meet the change that has taken place as regards the different gentlemen that now hold office as Postmaster-General from those who were in office when these documents were prepared. Mr. Suttor has already affixed his signature, and I am to request that you will be so good as to move the Postmaster-General of your colony to complete the documents, and return them to me at your early convenience. These will be retained as the property of this department.

2. You will also find enclosed two other parts of the contract agreement, together with an open letter concerning their execution, dated the 7th June, 1880, addressed to the Postmaster-General, New Zealand, by Messrs. Mackrell and Co. These documents have been forwarded hither by the acting Agent-General of New South Wales, and, in accordance with the advice given, Mr. Suttor has signed a special form of indorsement of the agreements in question. All that now remains to be done with these two documents is for the Postmaster-General of your colony to execute them, and to comply with Messrs. Mackrell and Co.'s request that *these documents may be sent back to them* for the purpose of being handed to the Pacific Mail Company and their sureties.

I have, &c.,

S. H. LAMBTON,
Secretary

The Secretary, General Post Office, Wellington.

 Enclosure in No. 6.

Messrs. MACKRELL and Co. to the Hon. the POSTMASTER-GENERAL, New Zealand.
21, Cannon Street, London, E.C., 7th June, 1880.

SIR,—

New Mail Contract.

The new contract having been now executed by the Pacific Mail Steamship Company, and the bond having been executed by their sureties, we forwarded to the Postmaster-General for New South Wales for execution by him, and then to forward to you with this letter for execution by you, two parts of the contract printed on parchment.

You will observe that the contract bears date the 29th November, 1878, being the date at which it was delivered to the Pacific Mail Steamship Company for execution, at which time the Hon. J Fitzgerald Burns was the Postmaster-General of New South Wales, and the Hon. J Temple Fisher was the Postmaster-General of New Zealand. We explained to the Postmaster-General for New South Wales that, if either of these gentlemen do not now hold office, the contract should be executed by the present Postmasters-General of the colonies respectively, with a memorandum underneath according to a form which we sent him and which you will find written at the foot of the contract.

We have asked the Postmaster-General of New South Wales to forward the two parts to you for execution as soon as the same have been executed by him, and we shall be obliged by your sending us the two parts as soon as you have executed the same, that we may forward one part to the Pacific Mail Steamship Company and the other part to their sureties.

We have, &c.,

JOHN MACKRELL AND Co.

The Postmaster-General for New Zealand.

 No. 7

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

General Post Office, Wellington, 2nd November, 1880.

SIR,—

I have now the honor to return to you, duly executed by the Postmaster-General of this colony, the part of contract and bond for the San Francisco mail service forwarded with your letter of the 2nd September last. The department is advised that the date of execution to be inserted should be that on which the documents were signed at your office. Instead, therefore, of returning the two parts of contract to Messrs. J Mackrell and Co., as requested in their letter, I now forward them to you, with a request that the date of execution may be filled in in each case, and the necessary documents sent home from your office to Messrs. Mackrell and Co.

I have, &c.,

W GRAY,
Secretary

The Secretary, General Post Office, Sydney

 No. 8.

CONTRACT.

ARTICLES of AGREEMENT made and entered into this twenty-ninth day of November, one thousand eight hundred and seventy-eight, between the Honorable John Fitzgerald Burns, the Postmaster-General of the Colony of New South Wales, as such Postmaster-General, and acting for and on behalf of the Government of the said colony, of the first part; the Honorable James Temple Fisher, the Postmaster-General of the Colony of New Zealand, as such Postmaster-General, and acting for and on behalf of the Government of the said colony, of the second part; and the Pacific Mail Steamship Company of New York, in the United States of America, hereinafter designated "the contractors," of the third part—

WITNESS that they the contractors do, for themselves, their successors and assigns (so far as the covenants and agreements hereinafter contained are to be observed and performed by the contractors), hereby covenant with the Postmaster-General of the Colony of New South Wales and his successors, and with the Postmaster-General of the Colony of New Zealand and his successors, and also as a separate covenant with each of the Postmasters-General and his successors: And the Postmaster-General of the Colony of New South Wales and the Postmaster-General of the Colony of New Zealand do and each of them doth, for and on behalf of himself respectively as such Postmaster-General and his successors respectively, and the Government of the colony for which he is now respectively the Postmaster-General (but so far only as the covenants and agreements hereinafter contained are to be observed or performed by or are applicable to the Government of the said colonies respectively), hereby covenant with the contractors and their successors in manner following, that is to say,—

1. In the construction of these presents the following words and expressions shall mean and include (unless such meaning shall be inconsistent with the context) as follows: "Postmaster-General of the Colony of New South Wales" means the Postmaster-General for the time being of that colony; "Postmaster-General of the Colony of New Zealand" means the Postmaster-General for the time being of that colony; "Postmasters-General" means the Postmaster-General for the time being of the Colony of New South Wales and the Postmaster-General for the time being of the Colony of New Zealand; "contractors" includes the successors and assigns of the contractors; "mails" includes all boxes, bags, or packets of letters, newspapers, books, or printed papers, patterns, and all other articles transmissible by post, without regard either to the place to which they may be addressed or to that in which they may have originated; also all empty bags, empty boxes, and other stores and articles used or to be used in carrying on the Post Office service; "mail" means the aggregate of mails transmitted at any one time by any of the vessels for the time being employed in the mail service under this contract; and "hours" means hours calculated according to Greenwich time.

2. On and from the day when these presents and the bond hereinafter mentioned shall be respectively executed by the parties hereto and by the contractors and two sureties, the articles of agreement of the twenty-third day of July, one thousand eight hundred and seventy-five, made between the said John Fitzgerald Burns for and on behalf of the Government of the said Colony of New South Wales of the first part, the Honorable Sir Julius Vogel for and on behalf of the Government of the said Colony of New Zealand of the second part, and the contractors of the third part, the bond of even date with the said articles of agreement executed by the contractors John Francis Ure, John Lennox Kincaid Jamieson, William Pearce, and Donald Robert Macgregor, and the two deeds-poll of the twenty-fifth day of May, one thousand eight hundred and seventy-seven, and the twenty-fourth day of December, one thousand eight hundred and seventy-seven, respectively executed by the same parties by whom the said bond of the twenty-third day of July, one thousand eight hundred and seventy-five, was executed, shall, except as regards such causes or rights of action, if any, as shall have accrued before the execution of these presents and the said bond hereinafter mentioned, be deemed to be cancelled and of no effect; and these presents and the same bond shall apply to all voyages of the steam-vessels of the contractors which shall, before the execution of these presents and the same bond, have been commenced under and in pursuance of the said articles of agreement of the twenty-third day of July, one thousand eight hundred and seventy-five, in as full a manner as if such voyages had been commenced after the execution of these presents and the same bond, and were voyages made under and in pursuance of these presents.

3. The contractors shall from time to time, and at all times hereafter, during the residue of a period of eight years computed from the fifteenth day of November, one thousand eight hundred and seventy-five, convey all Her Majesty's mails which, and all other mails of whatever country or place which, the Postmasters-General or either of them shall at any time and from time to time require the contractors to convey from and to the following ports, that is to say, Sydney, Auckland, San Francisco, and any port or ports intermediate between Sydney and San Francisco, at which the steam-vessels hereinafter mentioned may call as hereinafter mentioned, or any of such ports; and within the respective times and in manner hereinafter provided, for and so long as the whole or any part of the services hereby agreed to be performed ought to be performed in pursuance of this contract, shall and will provide and keep seaworthy, and in complete repair and readiness for such purpose, a sufficient number of and not less than four good, substantial, and efficient screw steam-vessels of the first class, and fully equal to Class 100, A1, Lloyd's Register, and of not less gross register tonnage than two thousand five hundred tons each, constructed of iron, and propelled by first rate engines of adequate power for a minimum continuous speed of eleven nautical miles per hour, and having spar-decks and large capacity for passengers and cargo, and ample ventilation for passing through tropical latitudes. One moiety of the passenger accommodation afforded by each vessel is to be reserved for and appropriated to passengers to and from each of the said colonies respectively.

4. The steam-vessels to be employed under this contract shall be of the capacity aforesaid, and shall be always furnished with all necessary and proper machinery, engines, apparel, furniture, stores, tackle, boats, fuel, lamps, oil, tallow, provisions, anchors, cables, fire-pumps and other proper means for extinguishing fire, lightning conductors, charts, chronometers, nautical instruments, and whatsoever else may be necessary for equipping the said vessels and rendering them constantly efficient for travelling at a minimum continuous speed of eleven nautical miles per hour, and for the service hereby agreed to be performed, and also manned and provided with competent and legally-qualified officers, the master or commander having ample experience in command of screw steam-vessels, and with a sufficient number of efficient engineers and a sufficient crew of able seamen and other men, and with a competent surgeon, to be in all respects as to vessels, engines, equipments, and capacity subject in the first instance, and from time to time and at all times afterwards, to the approval of the Postmasters-General, or of such other person or persons as they shall jointly or severally at any time or times or from time to time authorize to inspect and examine the same, and no vessel shall be employed or used for the purposes of this contract until approved as aforesaid: Provided nevertheless, and it is hereby declared, that the contractors, so long as they shall convey the mails within the times and in the manner hereinafter provided, shall not be required to keep more than three of the said vessels actually engaged

in conveying the mails and furnished with stores, fuel, and provisions, and manned and provided with officers, engineers, crew, and a surgeon as hereinbefore provided for, but may from time to time, and for such length of time as they shall think fit, cause any one of the said steam-vessels to be laid up, provided that the said steam-vessel so laid up shall be laid up in the port of Sydney, unless, owing to some accident or circumstance beyond the control of the contractors, the said steam-vessel shall be unavoidably laid up elsewhere: And provided also that the said vessel, including its machinery and engines which shall be so laid up, shall, if in complete repair at the time when it is laid up, be kept in complete repair, and, if the said vessel or its machinery or engines should be out of repair at the time when the said vessel is laid up, the same shall with all due diligence be put into complete repair, and be thenceforth kept in complete repair; and that the said vessel so laid up, being with its machinery and engines when laid up in, or after it and its machinery and engines shall have been put into, complete repair as hereinbefore mentioned, shall at all times thereafter while laid up be kept in such a state and condition that upon being furnished with stores, fuel, and provisions, and being manned and provided with officers, engineers, crew, and a surgeon as hereinbefore provided for, it would thereupon be in readiness for conveying the mails, and efficient for travelling at the speed hereinbefore mentioned.

5. The Postmasters-General, or either of them, shall have full power whenever and as often as they or he may deem it requisite, by any of their or his qualified officers or agents, to inspect the officers, engineers, and crew of all or any of the vessels, including any vessel so laid up as hereinbefore mentioned, employed or to be employed in the performance of this contract, and to survey all or any of such vessels and the hulls thereof, and the engines, machinery, furniture, tackle, apparel, stores, and equipments of every such vessel; and any defect or deficiency that may be discovered on any such survey shall be forthwith repaired or supplied by the contractors; and for the purposes aforesaid the said vessels shall (if necessary) be opened in their hulls whenever the said officers or agents may so require. And if any such vessel, or any part thereof, or any engines, machinery, furniture, tackle, apparel, boats, stores, or equipments, shall on any such survey be declared by any such officers or agents unseaworthy or not adapted to the service hereby agreed to be performed, or any such officers, engineers, or crew shall be so declared ineligible, every vessel which shall be disapproved of, or in which such deficiency or defect shall appear, shall be deemed insufficient for any service hereby agreed to be performed, and shall not be again employed in the conveyance of mails until such defect or deficiency has been repaired or supplied to the satisfaction of the Postmaster-General or officer requiring the same, and any of such officers, engineers, or crew declared ineligible shall not be employed in the said service.

6. The mails shall be conveyed thirteen times in each year between San Francisco and Sydney by way of Auckland, and at the same rate between Sydney and San Francisco by way of Auckland, and the vessel respectively employed to convey the mail shall leave the said ports of Sydney, Auckland, and San Francisco on the days and at the times to be from time to time appointed for the purpose by the Postmasters-General. The said vessels on each voyage between San Francisco and Sydney, and between Sydney and San Francisco, shall call at Auckland; and may also, if the contractors think fit, call at the Port of Honolulu, in the Sandwich Islands, and, with the consent in writing of the Postmasters-General, but not otherwise, at any other port intermediate between Sydney and San Francisco, either in addition to or instead of the said Port of Honolulu, and shall allow at Auckland twenty-four hours at the least, and at such other port or ports a sufficient time for the delivery and receipt of mails, and the embarkation or landing of passengers.

7. The contractors, at their own expense, shall deliver and take the mails to and from the shore at convenient places to be from time to time appointed by the Postmasters-General respectively in the respective ports from and to which the mails are to be conveyed; also shall convey the same and the officers having charge of them to and from the shore as may be necessary, in suitable boats furnished with suitable coverings for the mails, and properly equipped and manned; and shall from time to time convey the officers or agents of the Postmasters-General respectively to and from the shore at any of the said ports as often as may be necessary in the execution of their duties respectively, in the event of a suitable boat not being conveniently obtainable from the shore for the purpose.

8. If either of the said Postmasters-General, or their respective officers or agents, shall at any time deem it requisite for the public service that any vessel should be delayed beyond the appointed time of departure, it shall be lawful for either of the Postmasters-General, or such officers or agents, to order such delay, not exceeding forty-eight hours at San Francisco, and not exceeding twenty-four hours at either Sydney or Auckland, by letter addressed to and delivered to the commander of the vessel, or the person acting as such, or left for him at the office of the contractors in the port or on board the vessel three hours at least before the hour appointed for departure. And in order to insure the due carrying of the mails from San Francisco, the contractors, without any such notice, shall delay the departure of any vessel (if necessary) seven days to await the arrival of the English mails from New York for Australia or New Zealand. The Postmaster-General of New Zealand shall also be at liberty from time to time to vary the times of departure of the said vessels from the port of Auckland for a longer period than twenty-four hours, with the consent of the Postmaster-General of New South Wales, but not otherwise.

9. If, from any cause whatsoever, at any time or times hereafter, one of the vessels aforesaid shall not be at the ports of San Francisco, Sydney, and Auckland respectively, ready to put to sea in due time to perform the services hereby contracted to be performed, the contractors shall pay, as and by way of liquidated damages, to each or either of the Postmasters-General affected by such default, as the case may be (for the use of the Governments of the said colonies respectively, or for the Government of whichever of the said colonies may be affected by such default, as the case may be), in respect of every mail that shall be delayed by reason of any such default as aforesaid, the sum of two hundred and fifty pounds, and the further sum of fifty pounds for every successive twenty-four hours which shall elapse between the time at which the mail shall be appointed to leave the port and the time at which the vessel conveying the same shall leave the port, whether such vessel shall be one of those aforesaid or any other vessel which the Postmasters-General or either of them shall think fit to employ,

or to sanction being employed, for the purpose: Provided always that each or either of the Postmasters-General shall have power to remit or reduce any of the sums payable to him as in this clause mentioned, if he shall be satisfied that any such default as aforesaid was attributable to causes over which the contractors had no control.

10. The mails shall be safely conveyed from San Francisco to Sydney within six hundred and seventy-two hours, and from Sydney to San Francisco within a like period, and from San Francisco to Auckland within five hundred and fifty hours, and from Auckland to San Francisco within a like period, the times aforesaid to be calculated from the times appointed for the departure of the mail respectively; unless any vessel shall be delayed in consequence of the mail not being ready for embarkation in due time either at San Francisco or at Sydney or at Auckland, in which case the time shall be calculated from the time of the mail being ready for delivery at the port where the delay shall take place. In case of the loss of any of the mails, by wreck of any mail vessel or otherwise, the contractors shall with all possible despatch, at their own cost, do all such acts and take all such measures as may be reasonably done and taken to recover the mails so lost. And the contractors shall be liable for all damage or injury to any of the mails, from whatever cause the same may arise or happen, except fire, the act of God, or the Queen's enemies.

11. For the conveyance of each mail from San Francisco to Sydney, and *vice versa*, the Postmaster-General of New South Wales will pay to the contractors, at Sydney, as follows, *videlicet*: If the mail shall be conveyed within six hundred and seventy-two hours as aforesaid, the sum of one thousand five hundred and thirty-eight pounds nine shillings and twopence; but, if the time occupied in conveying the mail shall exceed the number of hours lastly hereinbefore mentioned, then the sum lastly hereinbefore mentioned shall be reduced in the proportion of four pounds for every hour in excess of six hundred and seventy-two hours occupied in conveying the mail. The times aforesaid to be computed as mentioned in Clause No. 10 of these presents: Provided always that the Postmaster-General of New South Wales shall have power to remit all or any part of the said reduction of four pounds per hour, if he shall be satisfied that the delay in conveying the mail was attributable to causes over which the contractors had no control.

12. For the conveyance of each mail from San Francisco to Auckland, and *vice versa*, the Postmaster-General of New Zealand will pay to the contractors, at Wellington, as follows, *videlicet*: If the mail shall be conveyed within five hundred and fifty hours, the sum of one thousand two hundred and fifty pounds; but, if the time occupied in so conveying the mail shall exceed the number of hours lastly hereinbefore mentioned, then the sum lastly hereinbefore mentioned shall be reduced in the proportion of four pounds for every hour in excess of five hundred and fifty hours occupied in conveying the mail. The times aforesaid to be computed as mentioned in Clause No. 10 of these presents: Provided always that the Postmaster-General of New Zealand shall have power to remit all or any part of the said reduction of four pounds per hour, if he shall be satisfied that the delay in conveying the mail was attributable to causes over which the contractors had no control.

13. For each and every mail which the contractors shall deliver at Sydney from San Francisco, or shall deliver at San Francisco from Sydney, before the expiration of the time appointed in Clause No. 10, they shall be paid by the Postmasters-General the sum of five pounds for every complete hour saved.

14. The sums payable to the contractors under the three last preceding clauses shall be in full satisfaction for all services rendered under this contract in the conveyance, receipt, and delivery of all Her Majesty's mails which, and all other mails which, may be conveyed under this contract from, to, and at all or any of the ports aforesaid, or otherwise, and shall be payable at the respective Treasuries in the places appointed for payment, to an agent to be appointed by the contractors at each of those places to receive the same respectively immediately after the due delivery of each mail in the colony, or the advice by the return mail from San Francisco of the due delivery of the mail shall be received, as the case may be: Provided always that the provisions hereinbefore contained for payment for the conveyance of mails otherwise than within the time stipulated for in Clause No. 10 of these presents shall not be deemed or construed to relieve the contractors from liability for default in the due performance of the stipulations contained in the same clause, or to disentitle the Postmasters-General to determine this contract under Clause No. 25 of these presents on account of any such default, it being hereby expressly agreed that the performance of the service hereby contracted to be performed within the time mentioned in Clause No. 10 of these presents shall be deemed and held to be the essence of this contract.

15. The Colonies of New South Wales and New Zealand, or either of them, shall be entitled to retain to their or its own use, respectively, any subsidy allowed to them or either of them by the Government of the United Kingdom of Great Britain and Ireland, and to retain and divide between them, equally, any subsidy or payment which may be agreed to be paid by any other Australasian colony or dependency, or any of the Polynesian Islands, for the conveyance of mails over the aforesaid routes, after deducting any payments made or expenses, if any, incurred by the Postmasters-General, or either of them, for the conveying mails to or from any or either of the ports or places hereinbefore appointed for the receipt or delivery of mails; but the contractors shall be entitled to the benefit of and to receive any subsidies or payments which the contractors may be able to induce any Government other than as aforesaid to agree to pay for the conveyance of mails over the aforesaid routes, after deducting any payments made or expenses, if any, incurred by the Postmasters-General, or either of them, for the conveying mails to and from any and either of the ports or places aforesaid, provided the arrangements for the services in respect of any such subsidy shall be approved by the Postmasters-General.

16. The contractors shall provide, to the satisfaction of the Postmasters-General, on board all steam-vessels employed under this contract, proper, safe, and convenient places of deposit for the mails, with locks, keys, and secure fastenings.

17. The contractors shall also provide, to the satisfaction of the Postmasters-General, or either of them, all necessary and suitable accommodation, including lights for the purpose of sorting and making-up of mails on board the several vessels employed under this contract; and, on being required

to do so by the Postmasters-General, or either of them, shall, at their own cost, erect or set apart in each of the said vessels a separate and convenient room for such purposes; and all such furniture, lamps, fittings, and other conveniences shall be from time to time cleansed and kept in repair, and the oil for the lamps supplied by the servants of and at the cost of the contractors. The master or commander of each of the said vessels shall also, if required, provide assistance for conveying the mails between the mail-room and the sorting-room without charge.

18. If the Postmasters-General, or either of them, shall think fit to intrust the charge and custody of the mail, or his respective mail, to the master or commander of any vessel to be employed under this contract, and in all cases where the officer or other person appointed to have charge of the mail shall be absent to the knowledge of the master or commander of such vessel, such master or commander shall, without any charge, take due care of, and the contractors shall be responsible for the receipt, safe custody, and delivery of the said mail at the several appointed places on the shore in the respective ports, as part of the services hereby contracted to be rendered. The master or commander shall also make the usual post-office declaration, and furnish such journal, returns, and other information, and perform such other services, as the Postmasters-General, or either of them, or their or either of their officers, shall from time to time reasonably require.

19. The contractors, and all commanding and other officers in charge of the vessels employed under this contract, shall at all times punctually attend to the orders and directions of the Postmasters-General, or either of them, their or either of their officers or agents, as to the mode, time, and place of landing, delivering, and receiving the mails, subject to the special provisions herein contained, and so far as such orders and directions are reasonable and consistent with the safety of the vessels.

20. The contractors shall have no claim to any postage, nor to any sum on account thereof, for mails carried in any vessel employed in the service under this contract, or on account of any services rendered, except as herein specially provided to be paid.

21. The contractors shall provide suitable first-class accommodation for a mail officer or agent, and one assistant, for each of the Postmasters-General on board each of the vessels employed under this contract, who shall be at liberty to use such accommodation as may be required for the performance of their duties, and such officers or agents and assistants shall be victualled by the contractors as chief-cabin passengers without charge either for their passages or victualling; and whilst the vessel stays at any port, excepting the ports of Sydney and San Francisco, to or from which the mails are conveyed, such officers, agents, and assistants shall be allowed to remain on board and shall be victualled as aforesaid.

22. Every such mail officer, or agent, and assistant shall be recognized and treated by the contractors, their officers and agents, as the agent of the Postmasters-General respectively or Postmaster-General by whom he may have been appointed, as the case may be, and as having full authority in all cases to require a due and strict performance of this contract: Provided that no such agent, officer, or assistant shall have power to control or interfere with any master, commander, or officer in the performance of his duty; and every such agent, officer, and assistant shall be subject to all general orders issued by the master or commander for the good order, health, and comfort of the passengers and crew, and the safety of the vessels.

23. During the continuance of this contract, and so long as the same shall be faithfully carried out by the contractors, no charge for pilotage, tonnage, lighthouse, or harbour dues shall be made in New South Wales for any of the steam vessels employed in carrying out this contract; and the contractors shall be at liberty to use, once in every four weeks, for five days at a time, the Fitzroy Dry Dock at Sydney, if not leased or otherwise occupied; and also the workshops there, on payment only of the expenses of and attending such use; and no charge for pilotage, tonnage, lighthouse, or harbour dues shall be made at Auckland in respect of any of the steam-vessels employed in carrying out this contract.

24. This contract, or any part thereof, shall not be assigned, or underlet, or disposed of by the contractors, without the joint consent, in writing, of the Postmasters-General first obtained for such purpose.

25. In case this contract or any part thereof shall be assigned, underlet, or otherwise disposed of by the contractors, otherwise than with such consent as last aforesaid, or in case of any great or habitual non-performance or non-observance of this contract, or of any of the covenants, matters, or things herein contained, and on the part of the contractors, their officers, agents, or servants, or any of them to be observed and performed, and whether there be or be not any penalty or sum of money payable by the contractors for any such non-observance or non-performance, it shall be lawful for the Postmasters-General, or either of them, if they or he shall be of opinion that the contractors are not *bonâ fide* carrying out the provisions herein contained, and they shall jointly so think fit (and notwithstanding there may or may not have been any former non-observance or non-performance of this contract), by writing under their or his hands or hand, to determine this contract without any previous notice to the contractors or their agents; and the contractors shall not be entitled to any compensation in respect of such determination; and such determination shall not deprive the Postmasters-General or either of them of any rights or remedies to which they or he would otherwise be entitled by reason of any non-observance or non-performance of any of the provisions herein contained: Provided always that if, within but not after twenty-eight days after any notice of the determination of this contract shall have been given to either of the contractors or left for them as herein-after mentioned, the contractors shall give notice in writing to the Postmasters-General that they require that the question whether there was such a great or habitual non-observance or non-performance of this contract on the part of the contractors as to justify the Postmasters-General or one of them in determining the same shall be referred to arbitration, then such question shall be determined by arbitration in the manner hereinafter provided with regard to differences arising between the Postmasters-General and the contractors. In case the arbitrator or arbitrators or the umpire shall at any time or times decide that the Postmasters-General were not justified in determining the contract, the Postmasters-General shall have and be entitled from time to time to exercise the power herein-before given to them to determine the contract as fully and effectually as if they had not, on any

previous occasion or occasions, attempted to exercise such power. And the contractors shall not be entitled to any compensation in respect of the attempted determination of the contract, or any loss, damages, or expenses which may be incurred by the contractors by reason thereof.

26. The Postmasters-General or either of them may, if they or he think fit, except from any such determination any voyage or voyages; and, if any vessel or vessels should have started before the determination of this contract, or before the masters or commanders thereof could have received the news of such determination, or should after the determination start with a mail on any voyage or voyages so excepted as aforesaid, the voyage or voyages shall be continued and performed and the mails be delivered and received as if this contract had remained in force with regard to any such vessels; and with respect to such vessels this contract shall be considered as having terminated only when such vessels shall have reached their port or place of destination, and the mails carried by them shall have been delivered.

27. All notices or directions which are hereby authorized to be given to the contractors, their officers, servants, or agents, may be delivered to the master or commander of any of the said vessels or other officer or agent of the contractors in the charge or management of any vessel employed in the performance of this contract on board such vessel, or left for the contractors on board such vessel, or at either of the offices or houses of business at Sydney or Auckland of the contractors or their agents, and any notices or directions so given or left shall be binding on the contractors: Provided always that any notice of the determination of this contract shall be given to one of the contractors or left for them at their last known office or place of business in San Francisco, Sydney, or Auckland, if any, as the Postmasters-General may think fit.

28. It shall be lawful for the Postmasters-General or either of them, by writing under their respective hands, at any time and from time to time, to delegate all or any of the powers, whether joint or several, vested in them or him respectively by virtue of this contract, to such person or persons as they or he may think fit.

29. If the contractors shall fail to commence the performance of the services hereby contracted to be by them performed according to the provisions hereof, or, having commenced the same, shall refuse or wilfully neglect to carry on the same according to the true intent and meaning of these presents, they shall forfeit and pay to the said Postmasters-General the sum of twenty-five thousand pounds, to be equally divided between the Postmasters-General as and by way of liquidated damages, and not by way of penalty.

30. All and every the sums of money hereby stipulated to be paid by the contractors shall be considered as liquidated or ascertained damages, whether any damage or loss shall have or shall not have been sustained, and may be set off by the Postmasters-General or either of them against any moneys payable to the contractors under or by virtue of these presents, or may be enforced by both or either of the Postmasters-General as a debt due, with full costs of suit at their or his discretion: Provided always that the payment by the contractors of any sums of money for any neglect or default in the observance or performance of the covenants or agreements herein contained shall not in any manner prejudice the rights of the Postmasters-General or either of them to treat such defaults as a non-observance or non-performance of this contract on the part of the contractors.

31. The contractors shall, with sureties to be approved by the Postmasters-General, jointly and severally enter into a bond in the penal sum of twenty-five thousand pounds, conditioned for the due and faithful performance of the covenants and agreements on the part of the contractors herein contained, according to a draft or form already agreed upon; and in case from time to time either of the sureties executing any bond given as hereby required shall die, or be adjudicated a bankrupt, or file a petition for liquidation or arrangement with his creditors, or his estate shall be sequestered, then the contractors shall and will from time to time execute and procure to be executed by the other surety or sureties, as the case may be, and a new surety to be approved as aforesaid, another similar bond in substitution of the one then in force; but no new bond shall be required in case of the death of one only of the members of a firm if a surviving member or members of the firm is or are parties to the bond.

32. If any dispute, question, difference, or controversy shall arise between the Postmasters-General or their respective Governments and the contractors touching these presents, or any clause or thing herein contained, or the construction thereof, or any matter in any way connected with these presents or the operation hereof, or the rights, duties, or liabilities of the said Governments respectively, or of the contractors, in connection with the premises, then and in every or any such case the matter in difference shall be referred to arbitration in manner hereinafter mentioned, and the award of the arbitrator or the arbitrators or the umpire appointed as hereinafter mentioned, as the case may be, shall be binding and conclusive in every respect.

33. Unless the Postmasters-General and the contractors shall concur in the appointment of a single arbitrator, each party, on the request of the other party, shall nominate and appoint an arbitrator to whom such dispute, question, difference, or controversy shall be referred; and every appointment of an arbitrator shall be made on the part of the Postmasters-General under their hands, and on the part of the contractors under their corporate seal and hands, or under the corporate seal or the hand of either of them, or under the hand of the accredited agent of the contractors if any at Sydney or Auckland; and such appointment shall be made in duplicate, and be delivered one part to the other party and the other part to the arbitrator on the part of the party by whom the same shall be made; and, after any such appointment shall have been made, neither party shall have power to revoke the same without the consent of the other, nor shall the death of either party operate as a revocation; and if, for the space of fourteen days after any such dispute shall have arisen, and after a request in writing, in which shall be stated the matters required to be referred to arbitration, shall have been served upon the Postmasters-General respectively, or given to either of the contractors, or left for them at their last known office or place of business in San Francisco, Sydney, or Auckland (if any), as the case may be, by the one party on the other party to appoint an arbitrator, such last-mentioned party fail to appoint an arbitrator, then, upon such failure, the party making the request, and having appointed an

arbitrator, may appoint such arbitrator to act on behalf of both parties, and such arbitrator may proceed to hear and determine the matters which shall be in dispute, and in such case the award or determination of such single arbitrator shall be final.

34. If, before the matters so referred shall be determined, any arbitrator appointed by either party die or become incapable, the party by whom such arbitrator was appointed, his successors in office, or successors or assigns, may nominate and appoint in writing some other person to act in his place; and if, for the space of fourteen days after notice in writing from the other party for that purpose, he fail to do so, the remaining or other arbitrator may proceed *ex parte*, and every arbitrator so to be substituted as aforesaid shall have the same powers and authorities as were vested in the former arbitrator at the time of such his death or disability as aforesaid.

35. Where more than one arbitrator shall have been appointed such arbitrators shall, before they enter upon the matters referred to them, nominate and appoint, by writing under their hands, an umpire to decide on any such matters on which they shall differ, or which shall be referred to him; and, if such umpire shall die or become incapable to act, they shall forthwith, after such death or incapacity, appoint another umpire in his place, and the decision of every such umpire on the matters so referred to him shall be final.

36. If in either of the cases aforesaid the said arbitrators shall refuse, or shall for fourteen days after the request of either party to such arbitration neglect, to appoint an umpire, the Governor for the time being of the Colony of New South Wales shall, on the application of either party to such arbitration, appoint an umpire, and the decision of such umpire on the matters on which the arbitrators shall differ or which shall be referred to him shall be final.

37. If, when a single arbitrator shall have been appointed or shall be proceeding *ex parte* under any of the provisions herein contained, such arbitrator shall die or become incapable to act before he shall have made his award, the matters referred to him shall be determined by arbitration in the same manner as if no such arbitrator had been appointed.

38. If, where more than one arbitrator shall have been appointed, either of the arbitrators refuse or for fourteen days neglect to act, the other arbitrator may proceed *ex parte*, and the decision of such other arbitrator shall be as effectual as if he had been the single arbitrator appointed by both parties.

39. If, where more than one arbitrator shall have been appointed, and where neither of them shall refuse or neglect to act as aforesaid, such arbitrators shall fail to make their award within three calendar months after the day on which the last of such arbitrators shall have been appointed, or within such extended time (if any) as shall have been appointed for that purpose by both such arbitrators under their hands, the matters referred to them shall be determined by the umpire to be appointed as aforesaid; and the umpire shall make his award within three calendar months after the time when his duties shall commence, or within such extended time (if any) as shall have been appointed for that purpose by the umpire under his hand.

40. The said arbitrator or arbitrators, or their umpire, may call for the production of any documents in the possession or power of either party which they or he may think necessary for determining the question in dispute, and may examine the parties, or their witnesses, on oath, and administer the oaths necessary for that purpose.

41. The costs of every such arbitration and of the award shall be in the discretion of the arbitrator, arbitrators, or umpire, who may direct to and by whom and in what manner the same or any part thereof shall be paid.

42. The arbitration shall take place and be conducted at Sydney aforesaid, and the arbitrator or arbitrators, or the umpire, as the case may be, shall deliver his or their award in writing to the Postmasters-General, and the Postmasters-General shall retain the same, and shall forthwith, on demand, at their own expense, furnish a copy thereof to the contractors; and shall at all times, on demand, produce the said award and allow the same to be inspected or examined by the contractors, or any person appointed by them for that purpose.

43. This submission to arbitration may be made a rule of the Supreme Court of Judicature in England or Ireland respectively, or of any division thereof, or of the Court of Session in Scotland, or of the Supreme Court in any of the said colonies, on the application of either the Postmasters-General or the contractors.

In witness whereof the said parties to these presents of the first and second parts have hereunto set their hands and seals, and the contractors have hereunto caused their common seal to be affixed, the day and year first above written.

Pacific Mail Steamship Company
(L.S.) By JOHN RILEY, President.

Attest—
W H. LANE, Secretary

United States of America: City, County, and State of New York.

On this fourth day of December, one thousand eight hundred and seventy-nine, before me personally came W H. Lane, to me personally known, who, being by me duly sworn, said that he resided in the City of New York; that he was the secretary of the Pacific Mail Steamship Company; that the seal affixed to the foregoing contract is the common seal of said corporation, and was so affixed by authority of said corporation; and that said deponent signed his name thereto as secretary by like authority

(L.S.) DAVID THOMSON,
Notary Public (3) New York County

MEMORANDUM.

WHEREAS, since the above-written contract was prepared, the above-named John Fitzgerald Burns and James Temple Fisher have respectively ceased to be the Postmasters-General of the respective Colonies of New South Wales and New Zealand: And whereas Francis B. Suttor is the present Postmaster-

General of the Colony of New South Wales, and John Hall is the present Postmaster-General of the Colony of New Zealand: Now, therefore, the said Francis B. Suttor as such Postmaster-General of the said Colony of New South Wales, and acting for and on behalf of the Government of the said colony, and the said John Hall as such Postmaster-General of the said Colony of New Zealand, and acting for and on behalf of the Government of the same colony, in order to respectively testify their approval, adoption, and confirmation of the above-written contract, and in order to bind the respective Governments of the colonies of which they are respectively Postmasters-General, have hereunto set their hands and seals this first day of September, one thousand eight hundred and eighty

Witness—

S. H. LAMBTON,
Secretary, General Post Office, Sydney

FRANCIS B. SUTTOR,
Postmaster-General of New South Wales.

Witness—

W GRAY,
Secretary, General Post Office, Wellington.

JOHN HALL,
Postmaster-General of New Zealand.

No. 9.

BOND.

KNOW all men by these presents that we, the Pacific Mail Steamship Company, of New York, in the United States of America, John Francis Ure, John Lennox Kincaid Jamieson, and William Pearse, of Glasgow, in Scotland, engineers and shipbuilders, trading under the style or firm of John Elder and Co., are jointly and severally held and firmly bound to the Honorable John Fitzgerald Burns, the Postmaster-General of the Colony of New South Wales as such Postmaster-General, and acting for and on behalf of the Government of such colony, and to the Honorable James Temple Fisher, the Postmaster-General of the Colony of New Zealand as such Postmaster-General, and acting for and on behalf of the Government of such colony, in the sum of twenty-five thousand pounds of lawful money of the United Kingdom of Great Britain and Ireland, to be paid to the said John Fitzgerald Burns and James Temple Fisher and their successors, in their respective offices of Postmaster-General of the said Colony of New South Wales and Postmaster-General of the said Colony of New Zealand, for which payment, to be well and truly made, we and each of us bind ourselves and himself, our and his heirs, executors, administrators, and assigns, and every of them, firmly by these presents sealed with our seals. Dated this twenty-ninth day of November, one thousand eight hundred and seventy-eight.

WHEREAS by certain articles of agreement made and entered into on the twenty-ninth day of November, one thousand eight hundred and seventy-eight, between the said John Fitzgerald Burns, as Postmaster-General of and acting for and on behalf of the Government of the said Colony of New South Wales, of the first part, the said James Temple Fisher, as Postmaster-General of and acting for and on behalf of the Government of the said Colony of New Zealand, of the second part, and the above-bounded the Pacific Mail Steamship Company, who in the said articles of agreement are designated "the contractors," of the third part, it is witnessed that they, the contractors, did, for themselves and their successors and assigns, and each of them did for themselves and their successors and himself, his heirs, executors, administrators, and their and his assigns (so far as the covenants and agreements thereafter contained were to be observed and performed by the contractors), covenant with the Postmaster-General of the Colony of New South Wales and his successors, and with the Postmaster-General of the Colony of New Zealand and his successors, and also as a separate covenant with each of the Postmasters-General and his successors (amongst other things):—Article 3. That the contractors should, during the residue of a period of eight years, computed from the fifteenth day of November, one thousand eight hundred and seventy-five, convey all Her Majesty's mails which, and all other mails, of whatever country or place, which the Postmasters-General or either of them should at any time, or from time to time, require the contractors to convey from and to the following ports, that is to say, Sydney, Auckland, San Francisco, and any port or ports intermediate between Sydney and San Francisco at which the steam-vessels therein mentioned might call as therein mentioned, or any of such ports, and within the respective times, and in manner thereafter provided; and should and would provide and keep seaworthy and in complete repair and readiness for such purpose a sufficient number of, and not less than four, good substantial and efficient screw steam-vessels of the first class, and fully equal to Class 100, A1, Lloyd's Register, and of not less gross registered tonnage than 2,500 tons each, constructed of iron, and propelled by first rate engines, of adequate power for a minimum continuous speed of eleven nautical miles per hour.—Article 4. That the steam-vessels to be employed under the now reciting contract should be of the capacity aforesaid, and should be always furnished with all necessary and proper machinery, engines, apparel, furniture, stores, tackle, boats, fuel, lamps, oil, tallow, provisions, anchors, cables, fire-pumps and other proper means for extinguishing fire, lightning conductors, charts, chronometers, nautical instruments, and whatsoever else might be necessary for equipping the said vessels and rendering them constantly efficient for travelling at a minimum continuous speed of eleven nautical miles per hour, and for the service thereby agreed to be performed; and also manned and provided with competent and legally-qualified officers, the master or commander having ample experience in command of screw steam-vessels, and with a sufficient number of efficient engineers, and a sufficient crew of able seamen and other men, and with a competent surgeon; to be in all respects, as to vessels, engines, equipments, and capacity, subject in the first instance, and from time to time, and at all times afterwards, to the approval of the Postmasters-General, or of such other person or persons as they should jointly or severally, or at any time or times, or from time to time, authorize to inspect and examine the same; and no vessel should be employed or used for the purposes of the now reciting contract until approved as aforesaid: Provided nevertheless, and it was thereby declared, that the contractors, so long as they should convey the mails within the times and in

the manner therein provided, should not be required to keep more than three of the said vessels actually engaged in conveying the mails and furnished with stores, fuel, and provisions, and manned and provided with officers, engineers, crew, and a surgeon, as thereinbefore provided for; but might from time to time, and for such length of time as they should think fit, cause any one of the said steam-vessels to be laid up, provided that the said steam-vessel so laid up should be laid up in the port of Sydney, unless, owing to some accident or circumstance beyond the control of the contractors, the said steam-vessel should be unavoidably laid up elsewhere: And provided also that the said vessel, including its machinery and engines, which should be so laid up, should, if in complete repair at the time when it was laid up, be kept in complete repair, and, if the said vessel or its machinery or engines should be out of repair at the time when the said vessel was laid up, the same should with all due diligence be put into complete repair, and be thenceforth kept in complete repair; and that the said vessel so laid up, and being with its machinery and engines when laid up in or after it and its machinery and engines should have been put into complete repair, should at all times thereafter while laid up be kept in such a state and condition that upon being furnished with stores, fuel, and provisions, and being manned and provided with officers, engineers, crew, and a surgeon, it would thereupon be in readiness for conveying the mails, and efficient for travelling at the speed thereinbefore mentioned.—Article 5. That the Postmasters-General, or either of them, should have full power, whenever and as often as they or he might deem it requisite, by any of their or his qualified officers or agents, to inspect the officers, engineers, and crew of all or any of the vessels, including the said vessel so laid up as aforesaid, employed or to be employed in the performance of the now reciting contract, and to survey all or any of such vessels and the hulls thereof, and the engines, machinery, furniture, tackle, apparel, stores, and equipments of every such vessel; and any defect or deficiency that might be discovered on any such survey should be forthwith repaired or supplied by the contractors; and for the purposes aforesaid the said vessels should (if necessary) be opened in their hulls whenever the said officers or agents might so require. And if any such vessel or any part thereof, or any engines, machinery, furniture, tackle, apparel, boats, stores, or equipments, should on any such survey be declared by any such officers or agents unseaworthy or not adapted to the service thereby agreed to be performed, or any such officers, engineers, or crew should be so declared ineligible, every vessel which should be disapproved of, or in which such deficiency or defect should appear, should be deemed insufficient for any service thereby agreed to be performed, and should not be again employed in the conveyance of mails until such defect or deficiency should have been repaired or supplied to the satisfaction of the Postmaster-General or officer requiring the same, and any of such officers, engineers, or crew declared ineligible should not be employed in the said service. And in the now reciting contract it was further covenanted and agreed: (Article 29) That if the contractors should fail to commence the performance of the services thereby contracted to be by them performed according to the provisions thereof, or having commenced the same should refuse or wilfully neglect to carry on the same according to the true intent and meaning of the now reciting presents, they should forfeit and pay to the said Postmasters-General the sum of twenty-five thousand pounds, to be equally divided between the Postmasters-General as and by way of liquidated damages, and not by way of penalty (30) That all and every the sums of money thereby stipulated to be paid by the contractors should be considered as liquidated or ascertained damages, whether any damage or loss should have or should not have been sustained, and might be set off by the Postmasters-General or either of them against any moneys payable to the contractors under or by virtue of the now reciting presents, or might be enforced by both or either of the Postmasters-General as a debt due, with full costs of suit, at their or his discretion: Provided always that the payment by the contractors of any sums of money for any neglect or default in the observance or performance of the covenants or agreements therein contained should not in any manner prejudice the rights of the Postmasters-General, or either of them, to treat such defaults as a non-observance or non-performance of the now reciting contract on the part of the contractors. (31) That the contractors, with two sureties, to be approved by the Postmasters-General, should jointly and severally enter into a bond in the penal sum of twenty-five thousand pounds, conditioned for the due and faithful performance of the covenants and agreements on the part of the contractors therein contained, according to a draft then already agreed upon, meaning the draft of these presents.

Now the condition of the above-written bond or obligation is such that if, in case the said The Pacific Mail Steamship Company, while the whole or any part of the services by the said recited articles of agreement agreed to be performed ought to be performed, shall not provide, or in case having provided they shall not keep seaworthy and in complete repair and readiness for the purpose of conveying, for the residue of a period of eight years, computed from the fifteenth day of November, one thousand eight hundred and seventy-five, all Her Majesty's mails which, and all other mails which the Postmaster-General for the time being of the Colony of New South Wales, and the Postmaster-General for the time being of the Colony of New Zealand, or either of them, shall at any time, or from time to time, require the contractors to convey from and to the following ports, that is to say, Sydney, Auckland, San Francisco, and any port or ports intermediate between Sydney and San Francisco at which the steam-vessels hereinafter mentioned may call as in the said recited articles of agreement mentioned, or any of such ports, a sufficient number of and not less than four good, substantial, and efficient screw steam-vessels of the first class, and fully equal to Class 100, A1, Lloyd's Register, and of not less gross registered tonnage than two thousand five hundred tons each, constructed of iron, and propelled by first rate engines of adequate power for a minimum continuous speed of eleven nautical miles per hour, subject, however, to the proviso or exception in the 4th of the said recited articles of agreement contained and hereinbefore recited as to one of the said steam-vessels being from time to time laid up, or in case any vessel shall be employed in the said service which shall not have been approved by the Postmasters-General or an officer or officers appointed by them for the purpose, or in case any vessel which, on any such survey as in the said recited articles of agreement mentioned, shall have been disapproved of, or in which such deficiency or defect as in the said recited articles mentioned shall have appeared, shall be employed in the conveyance of mails before such defect or deficiency has been repaired or supplied to the satisfaction of the Postmaster-General or officer requiring the same, the said The Pacific Mail Steamship Company, John Francis Ure, John Lennox Kincaid Jamieson, and William Pearse, or some

or one of them, or the successors, executors, and administrators of some or one of them, do and shall, in any or either of the said cases, pay unto the Postmasters-General for the time being of the said colonies the sum of twenty-five thousand pounds as and for liquidated damages, then the above-written bond or obligation shall be void, otherwise to remain in full force and virtue.

Pacific Mail Steamship Company,
By JOHN RILEY, President.

Attest—W H. LANE, Secretary
Signed, sealed, and delivered by the above-named John Francis Ure, in the presence of—

JOHN F URE. (L.S.)

ROBT. LEETEMANN,
From Hamburgh, Solicitor, Hotel
Bellevue, San Remo.

F SCHMIDT,
Hotelkeeper, Bellevue, San Remo.

Signed, sealed, and delivered by the above-named John Lennox Kincaid Jamieson in the presence of—

JOHN L. K. JAMIESON. (L.S.)

JNO. MILNE,
Accountant, Govan, Glasgow

E. E. WALKER,
Cashier, Govan, Glasgow.

Signed, sealed, and delivered by the above-named William Pearce in the presence of—

WM. PEARCE. (L.S.)
(Above described as William Pearce.)

JNO. MILNE,
Accountant, Govan, Glasgow

E. E. WALKER,
Cashier, Govan, Glasgow

United States of America: City, County, and State of New York.

On this fourth day of December, one thousand eight hundred and seventy-nine, before me personally came W H. Lane, to me personally known, who, being by me duly sworn, said that he resided in the City of New York; that he was the secretary of the Pacific Mail Steamship Company; that the seal affixed to the foregoing bond is the common seal of said corporation, and was so affixed by authority of said corporation; and that said deponent signed his name thereto as secretary by like authority

DAVID THOMSON, (L.S.)
Notary Public (3), New York County

[Here follows memorandum similar in terms to that affixed to contract.]

No. 10.

The Hon. JOHN HALL to the AGENT-GENERAL.

SIR,— General Post Office, Wellington, 15th July, 1880.

I have the honor to forward to you, by the present mail, two copies of a further series of printed papers relating to the San Francisco mail service,* which set forth the steps taken by Mr. R. J. Creighton, resident agent for this department at San Francisco, with a view of obtaining the abolition or reduction of the American transit rates on the British and colonial mails.

2. As there appears to be a great probability that the charges in question will be materially reduced, if not waived entirely, I have to request that you will be good enough to place yourself in communication with the Imperial Post Office, with the view of obtaining for the colonies the benefit of any reduction which the United States Post Office may, in consequence of the recent action of the Senate, be found willing to make.

Sir Julius Vogel, K.C.M.G.,
Agent-General for New Zealand, London.

I have, &c.,
JOHN HALL,
Postmaster-General.

No. 11.

Sir JULIUS VOGEL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,— 7, Westminster Chambers, London, S.W., 28th January, 1881.

Referring to your letter of the 15th July last, I have the honor to transmit copy of correspondence which has passed between the postal authorities of this country and myself respecting the remission by the Government of the United States, in favour of the Colonies of New South Wales and New Zealand, of a portion of the cost of overland transportation of the Australian closed mails, and which correspondence will speak for itself.

I also enclose extract from the *Times* paper of yesterday, giving telegram referring to the matter, and which having brought under the notice of the Agent-General for New South Wales, a joint telegram was sent to Mr. Creighton, a copy of which I also give.

The Hon. the Postmaster-General, Wellington.

I have, &c.,
JULIUS VOGEL,
Agent-General.

Enclosure 1 in No. 11.

Sir JULIUS VOGEL to the SECRETARY, General Post Office, London.

SIR,—

7, Westminster Chambers, London, S.W., 17th December, 1880.

In pursuance of our conversation on the 13th instant, I have now the honor to submit to you, in writing, the clause embodied in the United States Postal Act last session. It is as follows: "Provided that the Postmaster-General be authorized to remit in favour of the Colonies of New Zealand and New South Wales so much of the cost of overland transportation of the Australian closed mails as he may deem just."

You will observe that it provides that the remission shall be made in favour of the colonies, so that, as I represented to you, and I believe you agreed, there is no question of anything coming to the English Post Office. Besides, the arrangement now subsisting between the English Post Office and the colonies takes into account the cost of transit.

I have, as agreed at our interview, merely to ask you to formally state that you have no objection to the colonies arranging for a refund from the United States of so much as the Postmaster-General under the clause in question is willing to pay. It would be as well to place on record that which I had the honor to state to you personally viz., that the ground on which the United States propose to make any payment is that the colonies subsidize a line of steamers between California and New Zealand and Australia, from which the United States receive both postal and commercial benefits.

I have also to ask you to be kind enough to state approximately the amount paid to the United States on account of the carriage of the colonial mails since the commencement of the present contract on 15th November, 1875, and also to say about how much is being paid now

The Secretary, General Post Office,
St. Martin's-le-Grand.

I have, &c.,

JULIUS VOGEL,
Agent-General for New Zealand.

Enclosure 2 in No. 11.

Mr. TURNER to Sir JULIUS VOGEL.

SIR,—

General Post Office, London, 14th January, 1881.

I have laid before the Postmaster-General your letter of the 17th ultimo, in which you state that, by the United States Postal Act of last session, the Postmaster-General has been authorized to remit, in favour of the Colonies of New Zealand and New South Wales, so much of the cost of the overland transportation of the Australian closed mails as he may deem just.

You explain that this concession is granted in favour of the colonies in consideration of the benefits conferred upon the United States, both in a postal point of view and commercially, by the maintenance of the colonial line of mail packets between San Francisco and Australia.

To enable the two colonies to obtain the promised advantage, you ask to be furnished with a statement of the sum paid by this department to the United States for the conveyance of the Australian mails between New York and San Francisco since the commencement of the present contract on the 15th November, 1875, and also to say how much is being paid now

On this point the Postmaster-General is happy to furnish the information desired. The amount already paid to the 30th June, 1880, was £71,000, and it is estimated that about £9,000 will be due for the transit during the remainder of last year; making a total of, say, £80,000.

But, while furnishing you with these figures, the Postmaster-General desires me to say that he does not feel at liberty to express any opinion upon the subject of an arrangement between the colonies and the United States for a payment by the latter in respect of the cost of overland transportation of the Australian closed mails.

I have, &c.,

Sir Julius Vogel, K.C.M.G.

ALGERNON TURNER.

Enclosure 3 in No. 11

TELEGRAM through Reuter's Agency, which appeared in the *Times* of Thursday, 27th January, 1881.

Washington, 26th January

THE House of Representatives has passed a Postal Appropriation Bill, and has voted a resolution to pay New Zealand and New South Wales half of the cost of the overland transport of the British closed mails.

Enclosure 4 in No. 11.

The AGENTS-GENERAL, New South Wales and New Zealand, to Mr. CREIGHTON.
(Telegram.)

28th January, 1881.

PRESS cable states payment to colonies authorized of half transit expenses. Presume will apply to whole present service. English Government have paid during present service, to end June last, seventy-one thousand pounds, and are paying now about rate of eighteen thousand pounds a year.

R. J. Creighton, 500, Montgomery Street, San Francisco, California.

No. 12.

Sir JULIUS VOGEL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 4th February, 1881.

Referring to my letter of 28th ultimo, in which I forwarded to you copy of correspondence respecting the remission by the United States Government of a portion of the cost of transportation

of Australian mails, I now have the honor to transmit, for your information, copy of a letter since received from the secretary to the Agent-General for New South Wales, covering copy of the telegraphic reply from Mr. Creighton to the joint telegram which was addressed to him on this subject.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 12.

The SECRETARY, New South Wales Government Agency, to the AGENT-GENERAL for NEW ZEALAND.

5, Westminster Chambers, Victoria Street, S.W., 29th January, 1881.

SIR,—

San Francisco Mail Service.

Referring to the proposed remission by the United States Government, in favour of the Colonies of New Zealand and New South Wales, of a moiety of the cost of the overland transportation of the Australian closed mails from New York to San Francisco, and to the telegram sent to Mr Creighton on the 28th instant, I am desired by the Agent-General for New South Wales to forward for your information copy of a telegraphic reply from Mr. Creighton, received at this office this morning.

I have, &c.,

S. YARDLEY,

The Agent-General for New Zealand. Secretary, New South Wales Government Agency

Sub-Enclosure to Enclosure in No. 12.

Mr. CREIGHTON to the AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND.

(Telegram.)

San Francisco, 29th January, 1881.

NOT retroact yearly maximum forty thousand dollars.

The Agents-General, New South Wales and New Zealand.

CREIGHTON

No. 13.

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

Post Office Department, Office of Foreign Mails,

SIR,—

Washington, D.C., 16th December, 1880.

I have the honor, by direction of the Postmaster-General, to inform you that the Act, passed at the last session of Congress, making appropriations for the service of this department, contains a revision authorizing the Postmaster-General "to remit in favour of the Colonies of New Zealand and New South Wales so much of the cost of the overland transportation of the Australian closed mails as he may deem just."

The object of this legislation is not expressed in its terms, but the Postmaster-General understands its enactment was urged upon Congress by representations that the cost of the overland transportation of the Australian closed mails was defrayed by the Colonies of New Zealand and New South Wales; that the transit charges thereon were higher than those paid on other closed mails transported over the same route; and that, unless some concession was made by a reduction thereof in favour of said colonies, it was probable that the Australian mail route across the American Continent would be abandoned at the expiration of the present contract for the monthly steamship service between Sydney, Auckland, and San Francisco.

I am to state, however, that the United States territorial transit charges on the British and Australian closed mails are accounted for to this department by the General Post Office in London, at the rate of six francs per kilogramme of letters and two francs per kilogramme of printed matter and samples, which rates were fixed by a special agreement between this department and the British Post Office, and are considered barely sufficient to reimburse this department for the actual cost of the railway transportation between New York and San Francisco, without taking into account any expenses for the handling and transfer of the mails at the terminal and intermediate points. They are, also, the same as the transit rates paid on the closed mails of other Postal Union countries transported over the same route.

In regard to the monthly mail steamship service between the colonies and San Francisco, established under contract with the Governments of New Zealand and New South Wales, which affords at the present time the only means of regular direct mail communication with Australasia, there is no doubt that the people of the United States earnestly desire its continuance, and would regard it as a misfortune if, for any reason, it should be abandoned, as it has been an efficient agent in promoting the friendly and business relations now so happily existing between the people of the United States and those of the colonies.

The Postmaster-General is disposed to carry into effect the will of Congress, as expressed in the provision of law above referred to, by remitting in favour of the colonies, in consideration of the continuance of the existing steamship services to and from San Francisco after the termination of the present contract, such portion of the transit charges on the Australian closed mails as will be equitable and just; but, as these charges are paid to this department by the General Post Office in London, which is understood to be solely chargeable with them, without recourse to the colonies for any portion thereof, he does not clearly see how such an arrangement is feasible. He would, therefore, be pleased to be favoured with your views on the subject before taking any definite action in the premises.

I have, &c.,

JOSEPH H. BLACKFAN,

Superintendent, Foreign Mails.

The Postmaster-General, Wellington, New Zealand.

No. 14.

Mr. GRAY to the SUPERINTENDENT of FOREIGN MAILS, Washington.

SIR,—

Post Office and Telegraph Department, Wellington, 24th January, 1881.

I am directed to acknowledge the receipt of your letter of the 16th ultimo, intimating that the Act passed at the last session of Congress, making appropriations for your department, contained a provision authorizing the Postmaster-General "to remit in favour of the Colonies of New Zealand and New South Wales so much of the cost of the overland transportation of the Australian closed mails as he may deem just."

Before replying at length to the several matters referred to in your letter, the Hon. Mr. Hall will communicate with the Postmaster-General of New South Wales, who is a co-contractor with the Postmaster-General of this colony for the San Francisco mail service, and on receipt of a reply you will again be written to.

I have, &c.,

W GRAY,
Secretary

The Superintendent of Foreign Mails, Washington, D.C.

No. 15.

The Hon. Mr. HALL to the Hon. the POSTMASTER-GENERAL, New South Wales.

SIR,—

Post Office and Telegraph Department, Wellington, 20th January, 1881.

You are no doubt aware of the nature of the negotiations undertaken by Mr. Creighton, the agent for this department at San Francisco, with the view of securing a substantial reduction of the charges at present levied by the United States Post Office for the overland carriage of the colonial mails between New York and San Francisco. You will also probably have gathered from the correspondence forwarded by me to your predecessor that an Act had passed the United States Senate empowering the United States Post Office to remit, in favour of the contracting colonies, so much of the charges as the Postmaster-General of the United States may deem just. By the last San Francisco mail I received a letter from the Superintendent of Foreign Mails, Washington (a copy of which I beg to enclose),* intimating that the Postmaster-General is prepared to give effect to the provisions of the Act, provided the San Francisco service be continued after the termination of the existing contract. But, as the overland transit charges are at present defrayed by the Imperial Post Office and not by the colonies, Mr. Blackfan does not see how any rebate would benefit us, and asks for an expression of opinion on the subject before his department takes any definite action.

In reply, I have answered Mr. Blackfan that I would consult the Postmaster-General of New South Wales, and, on ascertaining his views, would write fully by a subsequent mail.

The presence at the Conference of my colleague, the Hon. Mr. Dick, seems to me a favourable opportunity for discussing this matter, as well as the continuance of the San Francisco service after the termination of the existing contract. I hope you may find it convenient to discuss the several matters with my colleague, with whom I am communicating, and placing him in possession of the views of the Government.

With respect to the American transit charges, I have no doubt the Imperial Post Office would allow the colonies the full benefit of any reduction made by the United States Post Office. But, if it be considered more desirable, the United States Post Office might be requested to make a direct payment to the colonies of a sum equivalent to that by which it may be agreed to reduce these charges. On these several points I have asked my colleague to confer with you.

I have, &c.,

JOHN HALL,
Postmaster-General.

The Hon. the Postmaster-General, New South Wales.

No. 16.

Mr. CREIGHTON to Mr. GRAY

SIR,—

San Francisco, California, 17th January, 1881.

I have the honor to inform you that I received a letter from the Hon. Horace Davis, after the departure of the last mail steamer for the colonies, informing me that he had had several interviews with officers of the Postal Department, regarding the territorial transit of the New Zealand mails.

He writes: "The department at last recognizes the justice of the claim of the colonies, and the Postmaster-General is willing to remit, say, one-half of the charges, amounting to perhaps \$50,000, in their favour; but there are some difficulties in the way. The payment of territorial transit is made entirely to Great Britain direct, and our Government has no dealings with the colonial Postal Department in money matters; therefore our Post Office Department cannot remit any charge directly to the New Zealand Government, and the question has arisen whether, under the circumstances, they can pay over to the colonies any money without a special appropriation. The Post Office Department has therefore forwarded to the Colonial Government a letter mailed by steamer this month (December), signifying its willingness to remit a portion of the charge in favour of the Colonial Government, and its desire to maintain the line of steamships and cultivate friendly relations with the colonies, and outlining the practical difficulties that attend the matter. If you have any suggestions to make I should be glad to hear them."

I deemed this of sufficient importance to telegraph, because my entire negotiations have latterly, and indeed mainly throughout, been conducted through Mr. Davis; and I was aware also that the

* Vide No. 13.

United States Postal Department would not designate any sum in such a communication. The suggestion of this amount by Mr. Davis is important, as indicating with tolerable precision the length the department would be prepared to go, and the extent to which it might be prudent to push your claim. There is another reason also, and one which should not be overlooked. Mr. Davis ceases to hold a seat in the Congress after the 3rd March next, he having been defeated at the late general election, and I am very solicitous to close this matter before he retires. His personal influence with the department is very material, because he fully understands the commercial and political bearings of the question, having given it special attention.

I wrote to Mr. Davis requesting him to procure a transcript of the official letter, which he informally did; and I perceive clearly that nothing can be done until your Government communicates its wishes to the Postal Department. The considerations I have stated, however, suggest urgency. If Mr. Davis had a seat in Congress I should not fear a direct appeal to Congress, but you will understand, from the outcry about subsidies made after the passing of the empowering clause in the Post Office Appropriation Act of last session, the danger there is of the whole affair miscarrying without persistent lobbying. I prefer to hold to what we have got, and bring it slowly to fruition. I think this might be accomplished were the United States Postmaster-General to intimate to the London Post Office Department that he was prepared to remit annually \$50,000 of the stipulated payment on account of territorial transit charges, in favour of the contracting colonies, and requesting Great Britain to account for such amount to the Colonial Governments. In this way the English Postmaster-General, instead of paying this money or accounting for it to the Washington department, would account for it in the annual settlements with New Zealand and New South Wales. It is not the most direct way of getting at it, but it appears to me, with the knowledge I have, to be about the best. Should this plan commend itself to your Government, they should lose no time in presenting it to the Washington department, and concurrently advise me that I might bring such influence as I might have access to to press it upon the Postmaster-General. As you are aware, these negotiations have been of an informal character throughout, and, in your direct communications with the Postmaster-General here, you should bear their tenor in mind, and place the case of the colony on the same footing in respect of reciprocal advantages.

One direct advantage has already accrued. Mr. Davis writes to me on the 6th instant, "It gives me pleasure to inform you that our Government has voluntarily reduced the trans-territorial charges, other than to England, from 25 cents per ounce, the amount agreed upon in 1874, to 15 cents." This is a proof of the wish of the Government of the United States to cultivate friendly relations with the Australian Colonies, and shows that the only hindrance to its larger manifestation is the Home Government. I am not without hope, however, that the present Administration will be prepared to meet the United States Government in this matter.

You will permit me to suggest that the letter of Postmaster-General Maynard affords an opportunity to your Government to make a very strong point, when he says he is "disposed to carry into effect the will of Congress, as expressed in the provision of the law above referred to, by remitting in favour of the colonies, in consideration of the continuance of the existing steamship service to and from San Francisco after the termination of the present contract, such portion of the trans-continental charge on Australian closed mails as will be equitable and just." You might state the aggregate subsidy already paid by New Zealand to establish and maintain this postal and commercial line, as an evidence of your desire to continue it, and that you earnestly hope for its continuance through the liberal co-operation of the United States Government, and the acceleration of the overland transit, to enable it to compete successfully with the Eastern route.

These are the only points that occur to me at present in relation to this matter. It is a misfortune that the distance and intervening time should prevent a speedy termination of this business. There is even a chance of Mr. Maynard going into the Senate, when the work would have to be done over again. He will certainly retire from the Cabinet in March. Mr. Davis has been spoken of as the probable Postmaster-General in Mr. Garfield's Administration, but nothing is fixed. If you have anything pressing to communicate to me in relation to this affair, it might save time to telegraph.

I have, &c.,

W Gray, Esq., Secretary, Post Office, Wellington.

ROBT. J. CREIGHTON.

No. 17.

Mr. CREIGHTON to Mr. GRAY.

(Telegram.)

San Francisco, 1st February, 1881.

FORTY thousand dollars voted House.

W Gray, Wellington.

CREIGHTON.

No. 18.

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

(Telegram.)

Wellington, 19th February, 1881.

Re reduction American transit charges and my letter 20th ultimo, last mail brought information that United States Post Office only awaits views of colonies prior to making reductions fifty thousand dollars. Present American Executive retires from office on 3rd proximo. Mr. Creighton thinks interests of colonies would be best served were questions disposed of before change in Executive takes place. As time presses, kindly reply as to answer which you would agree to be sent United States Post Office.

Hon. Postmaster-General, Sydney

JOHN HALL,

Postmaster-General.

No. 19.

The Hon. Mr. SUTTON to the Hon. the POSTMASTER-GENERAL, New Zealand.

(Telegram.)

Sydney, 21st February, 1881.

EXPRESSED my views in letter dated 17th instant, not yet received by you. Does United States Post Office still require that we stipulate to continue the service after expiration of present contract?

F. B. SUTTON,

Postmaster-General, Wellington.

Postmaster-General.

No. 20.

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

(Telegram.)

Wellington, 22nd February, 1881.

YOUR letter of 17th cannot reach me for some days. Frisco mail will have left before receipt. United States Post Office still requires stipulation service be continued after expiration present contract.

JOHN HALL,

Postmaster-General, Sydney

Postmaster-General.

No. 21.

The Hon. Mr. SUTTON to the Hon. the POSTMASTER-GENERAL, New Zealand.

(Telegram.)

Sydney, 26th February, 1881.

THIS Government will not make any stipulation to continue Frisco mail service after expiration of present contract, as requested by United States Post Office.

F. B. SUTTON,

Postmaster-General, Wellington.

Postmaster-General.

No. 22.

Mr. GRAY to the SUPERINTENDENT of FOREIGN MAILS, Washington.

SIR,—

Post Office and Telegraph Department, Wellington, 28th February, 1881.

Adverting to my letter of the 24th ultimo, in reply to yours of the 16th December last relative to the decision of Congress authorizing the Postmaster-General of the United States to remit in favour of the Colonies of New South Wales and New Zealand a portion of the transit charges on Australian and New Zealand closed mails, I am directed by the Postmaster-General to state that he is not yet in possession of the views of the New South Wales Government on the matter, nor will a reply be to hand prior to the departure of the present outgoing San Francisco mail. The promised reply cannot therefore be sent you until next mail.

I have, &c.,

W. GRAY,

The Superintendent of Foreign Mails, Washington, D.C.

Secretary

No. 23.

The Hon. Mr. SUTTON to the Hon. the POSTMASTER-GENERAL, New Zealand.

SIR,—

General Post Office, Sydney, 17th February, 1881.

I beg to acknowledge the receipt of your communication, dated the 20th ultimo, covering copy of a letter received by you from the Washington Post Office, relative to the transit charges levied by the United States on Australian mails conveyed between San Francisco and New York, and to inform you, with reference to the third paragraph of your letter, that the representative of your colony at the Conference, Mr. Dick, had left Sydney before your communication was received, which prevented my having a personal conference with him, as you suggested.

With regard to the second and fourth paragraphs, this department has received a communication from Mr. Blackfan, of the Washington Post Office, of similar purport to that sent to you; and I concur in the view taken by that gentleman, which is really in accordance with the opinion which has been, on previous occasions, expressed by this department—viz., that, as these territorial transit charges are paid to America by the London Post Office, which office undertakes to bear the whole expense of conveying the Australian mails to and from Great Britain and San Francisco, it is not easy to see how effect can be given to the decision of Congress. Moreover, the difficulty is increased by the fact that the concession by America is understood to be in consideration of the San Francisco service being maintained after the termination of the present contract; and you will of course be aware that at the present time I am not in a position to give any such pledge for the continuance of the San Francisco service.

In the fourth paragraph of your letter you express an opinion that the Imperial Post Office would no doubt allow the colonies the full benefit of any reductions made by the United States Post Office. This view may be correct, but it appears to me very doubtful whether any such concession would be made by Great Britain. The Imperial Government carries out its contract to convey our mails to and from San Francisco at a far greater cost than that involved in fulfilling its contract with the other colonies to convey to and from the termini at Galle and Singapore; and, even though the American Government is willing to reduce its charge for continental transit by one-half, it seems more probable that the Imperial Government would claim than allow the colonies the benefit of such abatement. If the Americans desire to encourage the San Francisco service, it is clearly open to them to do so by joining the colonies in paying the subsidy; but, as before stated, it seems evident that any grant by America, either directly or indirectly, is intended to be conditional on the prolongation of the service after the expiration of the present contract.

I enclose herewith, for your information, copy of telegram received here from the Agent-General of this colony, and a copy of the reply sent to him on the subject.

The Hon. the Postmaster-General, Wellington.

I have, &c.,
F. B. SUTTON,
Postmaster-General.

Enclosure 1 in No. 23.

The AGENT-GENERAL for NEW SOUTH WALES to the COLONIAL SECRETARY, Sydney
(Telegram.) London, 28th January, 1881.

AM I to apply to Imperial Government for permission to receive contribution voted by United States Government for Frisco service? Vogel has applied to Postmaster-General, and, in reply, he declines to express any opinion. Letter to-day

Enclosure 2 in No. 23.

The COLONIAL SECRETARY, Sydney, to the AGENT-GENERAL for NEW SOUTH WALES.
(Telegram.) Sydney, 4th February, 1881.

AMERICAN contribution understood here to be conditional on continuance Frisco service beyond present contract. If otherwise, and you think desirable, co-operate with Vogel in procuring Imperial permission to receive amount.

No. 24.

Mr. CREIGHTON to Mr. GRAY.

SIR,—

San Francisco, California, 15th February, 1881.

On the arrival of the "City of Sydney" I telegraphed the fact that the House of Representatives had passed an appropriation of \$40,000, to be paid to New Zealand and New South Wales for one year's transit charges across the continent. The following is the shape in which the announcement came through "Washington, 26th January.—In the House of Representatives, Davis, of California, offered the amendment to authorize the Postmaster-General to pay to the Colonies of New Zealand and New South Wales so much of the cost of overland transportation of British closed mails to and from Australia as he may deem just, not to exceed half of the said cost, and appropriating \$40,000 for the purpose. Davis advocated the adoption of his amendment, mentioning the importance of maintaining relations with those colonies. During the past year the exports of American products to Australia had amounted to \$8,000,000, while the imports from it amounted to only \$1,000,000, and it was politic for the United States to continue upon friendly terms with that colony. The amendment was agreed to, on division, by a vote of 61 to 27."

As this action on the part of the Hon. Horace Davis met the objections raised by the Post Office Department in their letter to the New Zealand Government, to which I referred in my last, I deemed it of sufficient importance to apprise you of immediately. It simplifies the whole business, and puts the contracting colonies on a much higher plane in their relations to the United States.

The Press telegrams to Europe having announced the passage of this clause in their Post Office Appropriation Bill, the Agents-General of New Zealand and New South Wales wired me for information on the subject, as per message annexed, and I replied by wire briefly that the vote was not retroactive, the maximum yearly payment being fixed at \$40,000.* The Agents-General evidently assumed that it was a specific appropriation, covering the whole term of the existing mail contract. At least, that is the construction I put upon their message. I subsequently wrote to the Agent-General of New Zealand, explaining more fully the position of the vote.

I telegraphed my thanks to the Hon. Horace Davis, at Washington, and requested him to so arrange that the Senate should pass the Bill, adding that, if the Bill, as amended, became law, the Pacific mail service was safe.

In due course the Bill went to the Senate, when an attempt was made to tack on to it an appropriation or subsidy in favour of John Roach, the great American shipbuilder, for \$1,000,000 per annum, who made our appropriation the ground of his claim. After a hard fight, the Roach subsidy was killed, and to-day the Press telegrams announce the passage of the Bill. I was in some doubt, and telegraphed to the Hon. Mr. Davis, asking the position of the Bill in the Senate, at the same time informing him that the mail steamer sailed to-day, and that I was anxious to inform the New Zealand Government of the precise facts, and requesting a reply.

I requested Mr. Andrews to wait in this office to the latest possible moment, which he kindly did, and I have just now received his reply: "Favourably reported to Senate. Still under discussion. Likely to pass."

The only possible hitch would be if the Roach interest were exerted against it; but, as this would indirectly hurt their own chances, I do not anticipate anything of the kind. My next letter, I am satisfied, will contain a formal announcement of the passage of the Bill with the appropriation untouched—a satisfactory termination to a long and, at one time, apparently hopeless negotiation, inasmuch as the facts were known absolutely to no one, and the question possessed no interest to any American public man or newspaper.

The severe weather has again detained the mail. This is inevitable in winter, and the present has been an unusually wet season. When the Southern Pacific has been completed to the Gulf of Mexico, which it will be in October, and fast steamers are laid on to Liverpool, a shorter and better route will be opened.

Wm. Gray, Esq., Secretary Post Office, Wellington.

I have, &c.,
ROBT. J. CREIGHTON.

* See Enclosure 4 and Sub-Enclosure in Nos. 11 and 12 respectively.

Enclosure in No. 24.

The Hon. HORACE DAVIS to Mr. CREIGHTON.

(Telegram.)

Washington, D.C., 15th February, 1881.

FAVOURABLY reported to Senate. Still under discussion. Likely to pass.
Robt. J Creighton, Office *Evening Post*, San Francisco.

HORACE DAVIS.

No. 25.

Mr. GRAY to Mr. CREIGHTON

SIR,—

Post Office and Telegraph Department, Wellington, 26th March, 1881.

I have the honor to acknowledge the receipt of your letter of the 15th ultimo, in continuation of previous correspondence relative to the remission of a portion of the American transit charges by the Government of the United States. I am directed to state, in reply, that the Government heartily appreciates your past exertions in this matter, and the favourable result which you have been instrumental in obtaining. The Government has decided to defer communicating further with the United States Post Office until it receives from you advice of the definite result of the action of Congress. In the event of the American Post Office desiring to stipulate that the payment of the proposed contribution be made conditional, as it was suggested the remission of the transit charges should be, upon an undertaking on the part of the colony to continue the San Francisco mail service after the expiration of the present mail contract, I am directed by the Postmaster-General to state that such a stipulation is one which no Parliamentary Government can comply with, as it would be impossible to bind a future Government, much less a future Parliament. I am also directed to state that there is no desire whatever on the part of the New Zealand Government to withdraw from the present service, and it is hoped that the concession now proposed by the United States Government will secure an equally favourable view of the case on the part of the Government of New South Wales.

I have, &c.,

W GRAY,
Secretary

R. J. Creighton, Esq., San Francisco.

No. 26.

Mr. CREIGHTON to Mr. GRAY.

SIR,—

San Francisco, California, 12th March, 1881.

I have pleasure in stating that the United States Congress has appropriated \$40,000 on account of the freight charges on the closed Australian and New Zealand mails crossing the Continent.

When I last wrote the matter was in some doubt, although I had every reason to suppose that the appropriation would be made. Owing to the hurry and scramble of the last days of the session, and the inauguration of the President, the Press despatches did not contain precise information on the point. However, I asked the Postmaster of San Francisco to sign the following despatch, which I forwarded to ascertain precisely how the matter stood:—

“San Francisco, 10th March, 1881.—Please state if the Post Office Appropriation Bill passed contains appropriation of \$40,000 on account transit charges Australian and New Zealand mail. Reply paid.—JAMES COEY, Postmaster. Hon. J H. Blackfan, Superintendent of Foreign Mails, Washington, D.C.”

This telegram was replied to as follows:—

“Washington, D.C., 11th March, 1881.—Forty thousand appropriated on account named in your telegram.—JAS. H. BLACKFAN, Superintendent Foreign Mails. To Postmaster, San Francisco, California.”

This, as you will perceive, settles the question for at least one year; and I have no doubt whatever, if some one makes it his business to attend to it hereafter, that similar results would follow. It has been a very great tax upon my time and resources, but I feel satisfied so far that my exertions have not been in vain. In considering this whole question, however, the Railroad and Transportation Companies must be left altogether out. They are not the parties which should be approached, for the reason that they have to take what is paid to them by the Government, although the form of a contract is gone through. Congress alone has the power; but of course the good will of the Administration must also be secured. What your Government should do is to continue the policy I have begun, and convince the United States that it is their interest to sustain this line. Having done so, the rest is simple enough. It will only require judicious handling every session until you can perfect an agreement with the Washington Government which will render this unnecessary. I am thinking out the means whereby this may be accomplished: meantime I should be pleased to have your opinion upon the subject. I need not, however, enforce the necessity for maintaining direct commercial and postal intercourse with this country. It is all-essential to New Zealand, owing to its marvellous industrial development and to the new world of commercial activity the United States is opening on the Pacific Slope, to have intimate relations with this country. These points are familiar to your Government, which has the honor to stand higher to-day in the estimation of American statesmen than any other British dependency.

In this connection, I have to note that the Southern Pacific Railroad has been connected with the Topeka and Santa Fe line, and that the snow blockade of which we now complain, and which frequently delays your mail, need not again occur. Before the year is out the Southern Pacific will be open to a port on the Gulf of Mexico, and a shorter and much more pleasant route will be opened to England from the colonies *via* San Francisco.

I have, &c.,

W Gray, Esq., Secretary, Post Office, Wellington.

ROBT. J CREIGHTON,

No. 27

Mr. GRAY to Mr. CREIGHTON.

SIR,—

Post Office and Telegraph Department, Wellington, 23rd April, 1881.

It is with pleasure that I have to acknowledge the receipt of your letter of the 12th ultimo, notifying that the United States Congress had appropriated \$40,000 on account of the freight charges on the closed colonial mails transported through the States, to be paid direct to the contracting colonies without any reservation as to the future of the San Francisco service.

I have again to express to you the acknowledgments of the Postmaster-General for your untiring efforts in the matter of the transit charges, and to congratulate you on having secured for the contracting colonies so substantial a result as that indicated in your letter.

Your suggestions, you will note from the enclosed copy of a letter to the Superintendent of Foreign Mails at Washington, have already received attention so far as relates to representations to the American Government for an annual appropriation in aid of the San Francisco service. I also enclose copy of a letter to the Secretary, General Post Office, Sydney, asking for the co-operation of that department; and, on receipt of a reply from the New South Wales Post Office, this department will be in a position to write you as to the direction future negotiations should take.

I think it well to draw your attention to the paragraph in the enclosed letter to the Superintendent of Foreign Mails, Washington, in which it is pointed out that, though New Zealand is favourable to the San Francisco service, no guarantee can be given that the service will be continued when the present contract expires, for the reason given in the letter.

R. J. Creighton, Esq.,
Resident Agent for New Zealand, San Francisco.

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

No. 28.

Mr. GRAY to the SUPERINTENDENT of FOREIGN MAILS, Washington.

SIR,—

Post Office and Telegraph Department, Wellington, 23rd April, 1881.

In further reference to your letter of the 16th December last, and in continuation of mine of the 24th January and the 26th February in acknowledgment thereof, I have the honor, by direction of the Postmaster-General, to state that it seems unnecessary now to forward you the conjoint views of the New South Wales and New Zealand Postal Departments on the proposed remission of a portion of the charges for transit of the colonial closed mails through your country, based on the stipulation that the San Francisco service shall be continued after the expiration of the existent contract. For since my letter of the 26th February this department has been informed, through its agent at San Francisco, that your Congress has been pleased to appropriate the sum of \$40,000, being part of the cost of the overland transit of the colonial closed mails to be paid direct to the contracting colonies, without reference to the question of the further continuance of the service. I am therefore directed to prefer a formal request that you may be pleased to arrange payment of this sum to the Postmaster-General of this colony, for division equally between the contracting colonies.

I am to point out that no guarantee can be given that the service will be continued beyond the currency of the existing agreement with the Pacific Mail Company, because it is out of the power of any Parliamentary Government to bind any future Administration, far less a future Parliament. There is, however, no desire on the part of this colony to abandon the service; and it is hoped that the concession now made by your Congress will secure an equally favourable response from the Government of New South Wales.

As the commercial relations between the United States and Australia and New Zealand are now of considerable magnitude and of great advantage to the United States, the value of exports of American produce to the Australian Colonies amounting last year to \$8,000,000, the Postmaster-General trusts that your Government and Congress may recognize the desirability of making an annual appropriation to diminish to the contracting colonies the cost of maintaining rapid and regular mail communication with the United States.

The Superintendent, Office of Foreign Mails,
Post Office Department, Washington, D.C.

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

No. 29

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

SIR,—

Post Office and Telegraph Department, Wellington, 23rd April, 1881.

I have the honor, by direction of the Postmaster-General, to forward herewith copy of a letter from Mr. R. J. Creighton, Resident Agent at San Francisco for this department, conveying the satisfactory intelligence that the United States Congress had voted \$40,000 on account of the freight charges on British, Australian, and New Zealand closed mails conveyed across the American Continent, payable to the contracting colonies direct, without the stipulation being required from the colonies to maintain the service after the expiration of the existing contract with the Pacific Mail Company.

I also have to enclose copy of the reply which has been forwarded Mr. Creighton, together with copy of a letter addressed to the Superintendent of Foreign Mails, Washington, making application on behalf of the contracting colonies for payment of the amount voted by Congress, and expressing the hope that the action taken by Congress will cause your Government to express the opinion that New South Wales has no desire to abandon the service. It has also been pointed out to Mr. Blackfan that the great commercial advantages reaped by the United States from the maintenance of the service should cause the Government and Congress to make an annual appropriation towards the cost incurred by the contracting colonies.

The Secretary, General Post Office, Sydney

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

No. 30.

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

SIR,—

Agency Pacific Mail Steamship Company, San Francisco, 7th April, 1881.

We have to inform you that on March 5th, while the steamship "City of New York" was proceeding on her voyage from Sydney to this port making her customary speed, weather and every circumstance appearing most favourable and promising a successful voyage, at 3 o'clock in the afternoon her after crank-pin broke. At the time the accident happened the steamer was on her fifth day from the Port of Auckland, in latitude 18° 21' S, longitude 171° 53' W., off the Tonga Islands. The vessel was immediately put under canvas, the engines disconnected, and work commenced to remove the fractured pin and substitute a new one. Owing to the disadvantages inseparable from the situation—being compelled to do the work at sea; the narrow space in which it must be done; the necessity for extreme caution in handling a mass of molten iron—the work could not be completed with the same expedition as if the ship had been alongside her dock and all appliances at hand for manipulating the materials. The utmost industry and energy were exerted by the officers and crew of the ship during every hour of the days and nights until the needful repairs were completed, the time consumed being 11 days 17 hours 15 minutes. As soon as the work was finished, and proper experiment had demonstrated its entire solidity and safety, the usual pressure of steam was applied, and the vessel made her usual speed from that point to this port, arriving here and delivering the colonial mails at 6:30 p.m. April 3rd.

While this accident is most profoundly regretted by this company, we most respectfully represent to your honorable postal authorities that it was of a nature that no human forethought could effectually guard against or avert; also that, although overtaken by it on the ocean, at a great distance from all assistance, the excellent equipment of the ship, and the ability of our officers and crew, proved sufficient to provide adequately for all whose lives were confided to our care, and reduced the damage and inconvenience of the detention to a minimum.

We earnestly appeal to the magnanimity of your authorities to give due consideration to all the points in the case which weigh in our favour, and estimate them in arriving at the sum to be charged against us as forfeiture; providing any such charge is decreed in this case. At the same time, feeling conscious that no provision which human prudence could suggest, or which scientific forethought could provide, was found wanting in the steamer's equipment for complying with our contract, we feel justified in appealing to the generosity of your department, and soliciting entire relief from deduction or fine in this first case of serious detention of the mails.

W Gray, Secretary, General Post Office,
Wellington.

We are, &c.,
WILLIAMS, DIMOND, AND Co.,
General Agents.

No. 31.

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

SIR,—

Post Office and Telegraph Department, Wellington, 12th May, 1881.

In forwarding you the enclosed copy of a letter of the 7th ultimo from Messrs. Williams, Dimond, and Co., of San Francisco, to this office, regarding the recent late arrival of the "City of New York" at San Francisco, owing to the breaking of a crank-pin, the Postmaster-General directs me to ask whether your department is inclined to waive the penalties due, or any portion thereof, as the contractors desire.

I have, &c.,

W GRAY,
Secretary

The Secretary, General Post Office, Sydney

No. 32.

Mr. CREIGHTON to Mr. GRAY

SIR,—

San Francisco, California, 9th April, 1881.

I have the honor to report that the s.s. "City of New York," having undergone necessary repairs, will sail to-morrow for Auckland and Sydney with the outgoing mail. The detention of the vessel on the upward trip, through the breaking of the aft crank-pin, caused a great deal of uneasiness here, but fortunately ship and passengers arrived safely.

The United States Government despatched the war-ship "Wachuset" in search of the "City of New York" on the 1st instant, with instructions to proceed to Honolulu, and, if necessary, to the colonies. As the two vessels did not sight each other, the "Wachuset" will doubtless proceed to Honolulu, where the safety of the "City" would be ascertained. This service was spontaneously rendered by the National Government, and is an evidence of the interest taken in the Australian mail service by the Washington authorities.

I wrote to the general agents of the Pacific Mail Company, suggesting the chartering of one of the fast Oregon steamships, should the "City of New York" not arrive, and requesting that a mail-room should be fitted up, in the event of such charter, in accordance with instructions from Mr. Smith, formerly of the Post Office Department, who, at my request, and at very great inconvenience to himself in a business point of view, had consented to take charge of the mail and sort it on the passage, thereby obviating any delay in distribution on its arrival in the colony. I made no stipulation as to remuneration for this service, which was to be left entirely to the discretion of the Postmaster-General.

The timely arrival of the "City of New York" prevented this arrangement being carried out, but I deem it proper to report the fact for your information.

Mr. Hoggard (I think prudently) determined to return in charge of the mail, leaving the commission from the Telegraph Department to be executed by the next mail agent. The voyage has been one of a peculiarly trying and unpleasant character, and I think the department was very fortunate in having had an officer of his experience and ability in charge.

I have, &c.,

ROBT. J. CREIGHTON

W Gray, Esq., Secretary, Post Office, Wellington.

No. 33.

Mr. GRAY to Mr. CREIGHTON

SIR,—

Post Office and Telegraph Department, Wellington, 18th May, 1881.

I have the honor to acknowledge the receipt of your letter of the 9th ultimo, relative to the recent late arrival of the "City of New York" at San Francisco, owing to the breaking of a crank-pin, and to the promptitude displayed by the United States Government in taking measures to obviate as much as possible the effects of any accident supposed to have befallen the steamer. The department is glad to know that so great an interest is taken by the United States Government in the Pacific services, as is evidenced by those measures.

2. I have to thank you personally for the action you took to have despatch and sortment of the return mails duly carried out, under the supposition that the "City of New York" would not arrive in time to leave with them.

I have, &c.,

W GRAY,
Secretary

R. J Creighton, Esq., San Francisco.

No. 34.

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

GENTLEMEN,—

Post Office and Telegraph Department, Wellington, 20th May, 1881.

I have the honor to acknowledge the receipt of your letter of the 7th ultimo, communicating particulars of the accident which occurred to the machinery of the R.M.S. "City of New York" on her voyage from Auckland to San Francisco, and of the success of the efforts to replace the broken crank-pin, which enabled the steamer to reach your port without further mishap.

2. I am to inform you that your application on behalf of the contractors for consideration in the matter of the infliction of the penalty for late arrival has been forwarded to the Postmaster-General of New South Wales, and the joint decision of the two Governments will be communicated to you by next mail.

I have, &c.,

W GRAY,
SecretaryMessrs. Williams, Dimond, and Co.,
General Agents, Pacific Mail Company, San Francisco.

No. 35.

The Hon. the POSTMASTER-GENERAL, Sydney, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 21st May, 1881.

AGENTS ask that penalties incurred by late delivery of mails at San Francisco by s.s. "City of New York" be remitted. I am inclined to think they should be enforced. What do you propose doing?

The Hon. the Postmaster-General, Wellington.

POSTMASTER-GENERAL.

No. 36.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Sydney

(Telegram.)

Wellington, 25th May, 1881.

I THINK the penalties should be enforced.

POSTMASTER-GENERAL.

The Hon. the Postmaster-General, Sydney

No. 37

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

GENTLEMEN,—

Post Office and Telegraph Department, Wellington, 26th May, 1881.

In continuation of my letter of the 20th instant, in reply to yours of the 7th ultimo, in which you ask, on behalf of the contractors, for consideration on account of the delayed arrival on the 3rd April at San Francisco of the R.M.S. "City of New York," owing to the breaking of a crank-pin, I beg now to inform you that, the Postmaster-General of New South Wales having been consulted, it has been decided to inflict the full penalty due for the delay in question.

I have, &c.,

W GRAY,
SecretaryMessrs. Williams, Dimond, and Co.,
General Agents, Pacific Mail Steamship Company, San Francisco.

No. 38.

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

SIR,—

Sydney, 18th May, 1881.

With reference to the delay in the delivery at San Francisco of mails which left Auckland by s.s. "City of New York" on the 1st March last, we beg to state that by the arrival of the steamer here we are placed in possession of the details of the accident to which the delay in question was solely attributable. It appears that the steamer made a good passage hence to Auckland, and on leaving there experienced fine weather, and everything went on well as usual until the 5th March, when the

after crank-pin broke. The steamer was immediately put under canvas, the engines were disconnected, and work at once commenced to remove the old pin and insert a new one. This, at any time, is a work of considerable magnitude (as the pin weighs over a ton weight), and, working under such serious disadvantages, we are pleased to be able to report that the new pin was put in under twelve days from the time of the accident, and, after having been tested, full steam was put on to reduce the loss of time—the steamer finally arriving at San Francisco on the 3rd April, after making the fastest passage recorded between Honolulu and San Francisco, and having made up more than a day of the lost time.

We beg to record that the passengers were all well satisfied with the exertions of the ship's company during the tedious delay, and our assurance is hardly needed to convey to you that the officers and crew did everything in their power to facilitate the speedy completion of the repairs.

We trust that, upon consideration of the cause of the delay and the circumstances of the case, you will conclude to remit the penalties for late arrival as empowered under the contract, as the unfortunate occurrence arose from causes beyond the control of human forethought or any scientific precaution which owners could take.

We are, &c.,

GILCHRIST, WATT, AND CO.,

General Agents for the Contractors S. F. Mail Service.

The Hon. the Postmaster-General, Wellington.

No. 39.

Mr. GRAY to Messrs. GILCHRIST, WATT, and Co.

GENTLEMEN,—

Post Office and Telegraph Department, Wellington, 1st June, 1881.

In reply to your letter of the 18th ultimo, in which you ask for remission of the penalties empowered to be inflicted on the Pacific Mail Steamship Company on account of the late arrival, on the 3rd April, at San Francisco from Auckland of the R.M.S. "City of New York," owing to the breaking of a crank-pin, I have the honor to inform you that, after consideration of the points set forth in extenuation, and consultation with the Postmaster-General of New South Wales, it has been decided to inflict the full fine.

I have, &c.,

W GRAY,

Secretary

Messrs. Gilchrist, Watt, and Co., Sydney