

1. Dates : 29th November or 6th December. We do not think this is of much consequence.
2. Size of Substitutes : In any case of this kind arising at this port we would of course seek the consent of both Postmasters-General. In San Francisco it may be impossible to obtain this : possibly the object might be met by obtaining the consent of the New Zealand Government Agent in San Francisco ; but in both ports circumstances may arise, such as a ship requiring more extensive overhaul when she is in dock than anticipated. In such case the agents may be compelled to act on their own responsibility, and trust to meeting liberal consideration at the hands of the two Governments.
3. Postponement of Departures : As the detention of the steamer in San Francisco would be to enable the outgoing steamer to receive the mails, delayed probably on the Atlantic, over which they cannot exercise control, some allowance is only reasonable. The service being run with three steamers, to despatch the return steamer to the exact date may prevent the possibility of docking, and thus probably prolong the voyage quite as much as the delay in departure ; but this matter also we must leave to the consideration of the respective Governments. We note the New Zealand Government do not allude to an allowance for extra labour incurred, and we trust they and you will consent to this.
4. Clause 16 : We note, the New Zealand Government are willing to omit.
5. We would prefer the contract being submitted to New York to be executed by the proper officers of the company, as we have had no opportunity of ascertaining the view of the New York head office on the details of the renewed contract.
6. The sureties will be Messrs. John Elder and Co., at Glasgow, by whom the bond will be executed.

We have, &c.,

GILCHRIST, WATT, AND Co.,

General Agents for the Contractors, San Francisco Mail Service.

The Hon. the Postmaster-General, Sydney.

No. 51.

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

SIR,—

General Post Office, Wellington, 29th January, 1884.

I have the honour to acknowledge receipt of your letter of the 7th instant, conveying Messrs. Gilchrist, Watt, and Co.'s remarks on the points raised by this department in connection with the renewal of the San Francisco mail service, and intimating that the Postmaster-General, having agreed to the modifications proposed by this department, had given instructions for the completion of the contract.

It is assumed that the contract will be signed in New York, and that the Agent-General will be requested to see that the bond is executed in due course by Messrs. Elder and Co.

W. GRAY,

Secretary.

The Secretary, General Post Office, Sydney.

No. 52.

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

SIR,—

General Post Office, Sydney, 8th April, 1884.

Referring to previous correspondence, I am directed to forward herewith, for the perusal of the Hon. the Postmaster-General of New Zealand, ten printed copies of draft form of contract and draft bond, prepared at the instance of the Crown Solicitor, in connection with the renewal of the San Francisco mail contract. Perhaps you will be so good as to intimate whether they meet with approval. I may add that copies were submitted to Messrs. Gilchrist, Watt, and Co., the contractors' agents here, who state that "they appear to be all in order."

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington.

[THE renewed contract and bond generally in terms of the contract and bond published in F.—4, 1881, except in respect to the dates and period of the contract, and with the following new clause inserted :—

Clause 15. The contractors will endeavour to obtain from the Government of the United States or from other sources a contribution on account of the amounts payable under this contract for carrying the said mails from Sydney to San Francisco and from San Francisco to Sydney, and from Auckland to San Francisco and from San Francisco to Auckland, equal to one-third of the total amount of the moneys payable hereunder for such services. And it is hereby expressly agreed that, if any such contribution shall be obtained as aforesaid, the same shall be applied and go in reduction of the payments agreed to be made under this contract, and that, as between the Postmaster-General of New South Wales and the Postmaster-General of New Zealand, such reduction shall be divided equally between them in respect of the payments agreed to be made under this contract. And it is hereby also expressly declared and agreed between the several parties hereto that, if the contractors shall not succeed in obtaining such contribution as aforesaid, it shall be lawful for the Postmaster-General of the Colony of New South Wales to withdraw from this agreement at the end of twelve calendar months from the said twenty-ninth day of November, one thousand eight hundred and eighty-three, on giving three months' previous notice to the contractors of his desire so to do, and that the service of such notice upon the contractors shall be deemed and taken to have