No. 5.

Mr. Lambton to the Secretary, General Post Office, Wellington.

General Post Office, Sydney, 8th November, 1889. Sir,— I have the honour to acknowledge receipt of your letter dated the 17th ultimo, stating that the Solicitor-General of New Zealand agrees with the view taken by your office as to the division of the annual payment of \$46,000 made by the United States Post Office for conveyance of its mails by vessels of the San Francisco mail-service contractors—namely, that the contractors are entitled to claim \$20,000 for sea-postage; urging reasons which seem to you to strengthen this opinion; and suggesting that this department should reconsider the matter with a view of recognising the claim of the contractors to retain \$20,000 out of the \$46,000, and to share the balance between the contracting colonies and themselves: and, in reply, I would venture, while attaching full value to the representations made in your letter, to point out that this department had previously given them consideration, and that no new argument seems to be adduced.

The matter was very fully gone into in the early part of this year, and explained at length in my letters of the 21st February and 30th April last; and, as you again mention the "large increase of United States mail-matter" since the American contribution has been increased to \$46,000 a year, I may invite your attention to the second page of my last-quoted letter, wherein it is stated that "this department thinks that the matter of increased correspondence can hardly have any application to the question, as clause 10 of the contract distinctly refers to the then

present system"—which shows that that point had received consideration. At the same time as my letter to you (30th April) the Union Company's agent in Sydney was informed that payment would only be made by this colony at the rate of £397 8s. 9d. per trip (£10,333 6s. 8d. per annum), and he, after referring the matter to his head office in New Zealand, replied on the 21st June last, agreeing to accept payment at the rate fixed by this office.

In view of the foregoing, it appears to this department that perhaps it would scarcely be advisable new to reapen this patter. If however, you still think it should be recovered possibly you

advisable now to reopen this matter. If, however, you still think it should be reopened, possibly you would be good enough to favour me with a copy of the statement of the case as submitted to your I have, &c., Solicitor-General, and on which he advised.

S. H. LAMBTON, Secretary.

The Secretary, General Post Office, Wellington, New Zealand.

No. 6.

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

General Post Office, Wellington, 27th November, 1889. Sir, I have the honour to acknowledge the receipt of your letter of the 8th instant in reply to mine of the 17th ultimo, relative to the division of the payment made by the United States to the contractors for the conveyance of its mails by the San Francisco mail-service; and, in response to your request, I beg to forward a copy of the statement of the case submitted to the Solicitor-General by this office.

The Postmaster-General trusts that your office will consent to reopen the question, as he is strongly impressed with the equity of the claim put forward by the contractors. Sir Julius Vogel's intention was to secure a special contribution from the United States independently of what the laws of the Post Office specified was payable to the contractors. Mr. Mitchelson is decidedly of opinion that the increase of United States mails should be recognised, as any other course would be placing the contractors under a disability which was not intended or contemplated.

The Secretary, General Post Office, Sydney.

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

No. 7.

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

General Post Office, Sydney, 6th January, 1890. SIR. In acknowledging the receipt of your letter, dated the 27th November last, respecting the question of the division of the payment made by the United States to the contractors for the San Francisco mail-service, I am directed to inform you that the Postmaster-General has now agreed to recognise the claim of the contractors in the matter. The local manager of the Union Steamship Company of New Zealand has been informed accordingly.

I have, &c.,

The Secretary, General Post Office, Wellington.

S. H. Lambton, Secretary.

No. 8.

Mr. Gray to the Managing Director, Union Steamship Company, Dunedin.

General Post Office, Wellington, 20th January, 1890. Sir,-I have the honour to enclose herewith copy of a letter of the 6th instant from the Secretary of the General Post Office, Sydney, notifying that the Postmaster-General of New South Wales has agreed to recognise the claim of the contractors in reference to the division of the payment made by the United States Post Office for the use of the San Francisco mail-service. A statement will be prepared forthwith, showing the position of the contractors with regard to the United States con-I have, &c., W. Gray, Secretary. tributions.

The Managing Director, Union Steamship Company of New Zealand (Limited), Dunedin,