## No. 25.

Messrs. Gilchrist, Watt, and Co. to the Hon. the Postmaster-General, Wellington. Sydney, 19th November, 1875. SIR,-

We have the honor to acknowledge receipt of yours of 2nd instant, and regret that the non-withdrawal of the "Mikado" from the temporary service should have caused any difficulty.

A proposal to conduct the service via Auckland for three months was transmitted by the

Contractors from London, 28th October, which was declined by this Government.

In consequence of the interruption of the telegraphic cable, it has been impossible during the last three weeks to get instructions, or make arrangements in England or America; thus we are driven to do the best we can with the vessels available.

There being no appearance of the "Vasco de Gama" on the 10th instant, we proposed to the Government of this colony to extend the temporary service via Auckland for one month, by sending "Cyphrenes" from here this date, which was agreed to, subject to the non-arrival of

the "Vasco de Gama," and you were duly advised thereof.

On the 12th instant the "Vasco de Gama" arrived with Mr. Hall on board, who stated that he had seen Dr. Pollen in Auckland on the 6th instant, and promised, as the only course open to him, to send "Vasco de Gama" to Auckland for mails, and at same time he instructed his agents to send all mails and passengers to Auckland to meet "Vasco de Gama," with the intention to send "Vasco de Gama" right through to San Francisco; but after arrival here, and considering that this course would continue next month the difficulty of this month, Mr. Hall decided to adhere to the contract as far as he was able, and chartered "Cyphrenes" to proceed from here to Kandavau direct, and thence to San Francisco, thus setting "Vasco de Gama" free to return in terms of the contract via Auckland to Port Chalmers, and be ready to leave that port next month.

Under the circumstances, it is absolutely impossible to adhere to the letter of the contract; but as Mr. Hall is acting loyally in its spirit, and sparing no trouble nor expense to do the best in his power for the contracting colonies, we trust any deviation from the strict letter will be

treated with liberal consideration.

We enclose for your information a list of the ships appropriated to the mail service, and We have, &c.,

The Hon. the Postmaster-General, Wellington, N.Z.

GILCHRIST, WATT, AND Co.

## Enclosure in No. 25.

"Vasco de Gama," to leave here at contract time, 19th November, 1875.

"Colima," left San Francisco contract time, 10th November, 1875.

"City of San Francisco," to leave San Francisco contract time, 8th December, 1875.

"City of New York," to leave San Francisco contract time, 5th January, 1876.

"City of Sydney," to leave San Francisco contract time, 2nd February, 1876; and

"Zealandia," to leave London 15th December, 1875; and "Australia," to leave London 15th January, 1876.

All the above, with the exception of the first two, are fitted expressly for the service, and are over 3,000 tons burthen.

Sydney, 19th November, 1875.

## No. 26.

Messrs. GILCHRIST, WATT, and Co. to the Hon. the POSTMASTER-GENERAL, Wellington. Sydney, 22nd November, 1875.

In reply to your letter of the 2nd instant, it is right we should state that until very recently we were not authorized in any way to act for the Pacific Mail Steamship Company We were agents for the owner of the "Mikado."

That ship was under charter to the Australasian Steam Navigation Company, to run the temporary service, including the October mails. When we learned that she might be required for the permanent service, we endeavoured to arrange with the Australasian Steam Navigation Company to cancel the charter and accept from us another ship in her stead, approved of for the temporary service. This the Australasian Steam Navigation Company declined to do unless a penalty were paid for cancelling the charter, and we had no authority to submit to a loss on behalf of the owner, and we refrained from further action till we knew the contract was actually ratified. This we only learned on 25th October, two days after "Mikado" sailed.

On the 23rd October we took upon ourselves to inform you that we kept "Cyphrenes" available in case of need, and same day telegraphed to London for permission to send her to do the coastal service till another ship should arrive, as we felt that this was the only course open to the Contractors, to tide over the temporary difficulty.

We have, &c.,

The Hon. the Postmaster-General, Wellington.

GILCHRIST, WATT, AND Co.