

taken the expense thereof. It might, therefore, be more economical to each colony, and equally satisfactory, if the expense was divided, and we would at once wire to you, at your expense from here, as soon as we get the information, and inform our own Post Office.

6. We have no advice yet of your lodgment of the "Zealandia's" subsidy.

We have, &c.,

GILCHRIST, WATT AND CO.,

General Agents for the Contractors, San Francisco Mail Service.

The Honorable the Postmaster-General, Wellington.

No. 26.

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

GENTLEMEN,—

Wellington, 22nd July, 1876.

I have been directed by the Postmaster-General to acknowledge the receipt of your letter of the 3rd instant.

2. From the letter No. 26, of 15th July, 1876, F. 76, 487, you would learn that the Postmaster-General had agreed to refund the £500 deducted for the late sailing of the "City of San Francisco."

3. With reference to the receipt of cable advices, notifying the arrival and departure of the mail steamers at and from San Francisco, the Postmaster-General is desirous of being informed of the probable payments to be made by this department in the event of the suggestion made in the fifth paragraph of your letter being adopted.

I have, &c.,

W. GRAY,

Secretary.

Messrs. Gilchrist, Watt, and Co., Sydney.

No. 27.

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

SIR,—

Sydney, 3rd July, 1876.

On the 27th ultimo we had the honor to receive your favour dated 31st May.

F. 3, No. 204.

We note your remarks, but would respectfully point out that it is unfair the present contractors should suffer by the *laches* of their predecessors of the last six years, seeing they have no connection whatever with them, but, on the contrary, have so far carried out their contract faithfully to a degree, notwithstanding great difficulty and very serious pecuniary loss. And we would submit that the actual results now entitle the contractors to a more liberal consideration of their efforts than your offer of 24th April contains; while the communication from Messrs. John Elder and Co., Donald R. Macgregor, and Lawrence, Clark, and Co. shows that from the outset they were actuated by the desire to carry out the programme of the contract to the letter, although the interruption of the cable and other circumstances proved fatal to their success.

We have no later advices from America on the subject, but we shall be glad to receive payment of the outstanding subsidies for the services of the "Vasco de Gama," "Colima," and "City of San Francisco;" and we respectfully venture to hope that a further reconsideration of these claims under the light of recent performances, and the information received from Sir Donald Cooper, will enable you to supplement to a considerable extent the sum previously named.

We have, &c.,

GILCHRIST, WATT, and Co.,

General Agents for the Contractors, San Francisco Mail Service.

The Hon. the Postmaster-General, Wellington.

No. 28.

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

SIR,—

Sydney, 11th July, 1876.

I am directed to acknowledge with thanks the receipt of the draft for £5,507 16s. 5d. which accompanied your letter of the 12th ultimo, the same being in final settlement of the outstanding special accounts between your colony and New South Wales.

F. 3b, No. 18.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington.

No. 29.

The Hon. J. T. BURNS, Sydney, to the Hon. Sir J. VOGEL, Wellington.

(Telegram.)

Sydney, 18th July, 1876.

Re Pacific Mail Service. We have no definite proposal from contractors. Mr. Watt, their agent, before leaving here, promised that, after conferring with the contractors at New York, he would communicate with us. This communication will probably reach us by incoming mail, when we will again telegraph to you.

The Hon. Sir J. Vogel, Wellington.

J. T. BURNS.

F.—3c.