

1876.
NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE,

(FURTHER PAPERS RELATING TO).

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

In continuation of Papers presented on the 18th July, 1876.

No. 1.

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

SIR,—

Sydney, 27th May, 1876.

I am directed to transmit herewith copy of a communication received from the Agents in this city of the Pacific Mail Steamship Company, enclosing an extract from a letter of the Company's General Agent at San Francisco, in reference to the forwarding of mails, and also to the computation of time in respect thereto.

I am to state that Mr. Burns is inclined to give favourable consideration to the application in this matter; but would like to learn the opinion of the Postmaster-General of New Zealand before dealing finally with the case so far as New South Wales is concerned.

I have, &c.,

S. H. LAMBTON,

Secretary.

The Secretary, General Post Office, Wellington, N.Z.

Enclosure in No. 1.

Messrs. GILCHRIST, WATT, and Co., Sydney, to the Postmaster-General, Sydney.

SIR,—

Sydney, 8th May, 1876.

We have the honor to enclose extract from a letter received by us from the General Agent at San Francisco, with reference to the forwarding of mails, and also the computation of time.

With regard to the latter, we have to ask your especial consideration of his remarks, and we trust that you will see fit to carry out the arrangement as suggested in his letter.

We would further ask you to make a similar arrangement as regards Sydney Harbour, and we shall be glad if you will consent to a line (similar to that suggested in the last paragraph of his letter) from South Light to North Head being drawn, and considered as the starting and ending point of the voyage as regards this port.

We have, &c.,

The Hon. the Postmaster-General, Sydney.

GILCHRIST, WATT, AND CO.

EXTRACT REFERRED TO.

EXTRACT from Letter of 20th March, 1876, received from A. P. BACON, General Agent, P.M.S.S. Company, San Francisco.

"Alleged Delay in conveying Mails from and to the Train and Steamer."

"OUR arrangements are such that there is really no delay in the transfer of mails. The mail outward brought here overland is delivered to the Postmaster at the same time he receives the United States mails. He notifies at the moment it is ready for delivery to our steamers, and at no time have we lost one hour in transferring it to our ships. As soon as an incoming steamer is telegraphed, our wagons and servants are ordered to our dock, and either in the day or night the transfer is made in the shortest possible time.

"While in and on this subject, it is proper that we should refer to the injustice of commencing the estimate of time from the moment a mail is placed on a steamer.

"It must be remembered that—1st. Our steamer has to be cleared at the Custom House. 2nd. Our passengers have to be looked after. 3rd. Every outward-bound vessel while in this port is under the direction and absolute order of a pilot.

"The condition of the tide, the fog, the darkness of the night, or other circumstances may actually render it improper for a vessel to get under way.

"We discussed this matter with Mr. Hall prior to his departure for Australia; showed him the obstacles, and suggested the propriety of his using his efforts to have our time commence at the

moment the steamers pass the Heads—that is, the line bounding the water denominated ‘the Harbour.’ At that point we become free from the control of the pilot; we are then outside of all obstructions, and our steamer is then under the sole orders of her commander.

“This should apply to steamers inward as well as outward, for inward-bound steamers are subject in some measure to the orders of the Health Officer of the port, who may at pleasure order her anchors down at the quarantine until he is satisfied with the sanitary condition of all on board.

“While we have no desire to unnecessarily delay a steamer, and really it is opposed to our interest to do so, we would be most thankful if we could have the above-named point officially recognized as the legal point of the commencement and termination of our voyages by the Colonial Governments. Perhaps a proper designation would be a line drawn from Fort Point to Line Point, that being in reality the outer edge of our harbour.”

No. 2.

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

SIR,—

General Post Office, Wellington, 4th July, 1876.

I have been directed by the Postmaster-General to acknowledge the receipt of your communication of 27th May last, enclosing a copy of a letter received by your department from Messrs. Gilchrist, Watt, and Co., covering copy of an extract from a letter from Mr. A. P. Bacon, General Agent of the Pacific Mail Steamship Company at San Francisco, relative to the forwarding of mails, and also to the computation of time in respect thereto.

2. I have to inform you that the Postmaster-General is willing to agree to the suggestion made by Mr. Bacon, that the time occupied on the voyage shall date from the hour at which the pilot leaves or takes charge of the vessel at either Sydney, Port Chalmers, Auckland, or San Francisco. The Postmaster-General is of opinion, however, that the steamer should sail so soon as the mails are shipped; and in the event of any serious or needless delay in the sailing of the steamers taking place (and the Postmaster-General to be the judges as to whether the delay is needless), Sir Julius Vogel is of opinion that the time should then be computed from the hour at which the mails were finally shipped. In consenting to this arrangement, the Postmaster-General considers that the two Governments should reserve the right to waive the concession at any time; and it should also be clearly understood that, in acceding to the request of the contractors, that fact shall not prejudice the contract in any way.

I have, &c.,

W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

No. 3.

Mr. ROBERTSON to the Hon. Sir J. VOGEL, Wellington.

Colonial Secretary's Office, Sydney, New South Wales,
30th June, 1876.

SIR,—

I have the honor to enclose, for your information, a copy of a despatch received by his Excellency Sir Hercules Robinson, from the Principal Secretary of State for the Colonies, together with copies of its enclosures concerning arrangements consequent on the determination of the United States Government to raise the land transit charge on the Australian and New Zealand mails conveyed to and from San Francisco to 33 cents a pound.

I have, &c.,

JOHN ROBERTSON.

The Hon. Sir Julius Vogel, K.C.M.G., Wellington, N.Z.

No. 4.

The Hon. Sir J. VOGEL to the Hon. the COLONIAL SECRETARY, New South Wales.

SIR,—

General Government Offices, Wellington, 15th July, 1876.

I have the honor to acknowledge your letter of 30th June, covering copy of a despatch and enclosures thereto, received by his Excellency Sir Hercules Robinson from the Secretary of State for the Colonies, “concerning arrangements consequent on the determination of the United States Government to raise the land transit charge on the Australian and New Zealand mails conveyed to and from San Francisco to 33 cents a pound;” and I thank you for forwarding the documents.

2. A similar despatch was received by his Excellency the Marquis of Normanby, and a memorandum by the Postmaster-General has, after being approved of in Cabinet, been sent to his Excellency for transmission to Lord Carnarvon, as expressing the views of the Government upon the important question involved.

3. I inclose three printed copies of that memorandum.

I have, &c.,

JULIUS VOGEL.

The Hon. the Colonial Secretary, New South Wales.

No. 5.

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

7, Westminster Chambers, Victoria Street, Westminster, S.W.,

29th May, 1876.

SIR,—

I have the honor to acknowledge the receipt of your letter of the 7th April, expressing your approbation of the letter which I addressed to Lord Carnarvon on the subject of the

increased payment demanded by the United States Post Office for trans-continental conveyance of the colonial mails, and of the proposal of the Lords Commissioners of Her Majesty's Treasury thereupon. My letter to the Hon. the Colonial Secretary, of the 2nd May, will no doubt also have been referred to you, and informed you that my Lords, on further consideration, decided to withdraw that proposal.

The Hon. the Postmaster-General,
Wellington.

I have, &c.,
WALTER KENNAWAY,
(for the Agent-General, and in his absence).

No. 6.

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

SIR,—

Sydney, 29th June, 1876.

I am directed to forward herewith, for the information of the Postmaster-General of New Zealand, copy of a communication which has been received from Messrs. Gilchrist, Watt, and Co., of this city, conveying an extract from a report by Captain Cargill, of steamship "Australia," as to the grounding of that vessel at Port Chalmers, and to the unfitness of the channel there for ships of her magnitude.

The Secretary, General Post Office, Wellington.

I have, &c.,
S. H. LAMBTON,
Secretary.

Enclosure in No. 6.

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

SIR,—

Sydney, 20th June, 1876.

We have the honor to send extract from a letter received by us from Captain Cargill, of Royal Mail steamship "Australia," as under.

"Auckland, 5th June, 1876.

"As you are aware, the 'Australia' took the ground about three-quarters of a mile inside Port Chalmers bar, and remained for three hours, but was got off without damage. Had she remained a tide, which there was every probability of, it might have been a very serious thing. The channel has some sharp turns, and is so narrow that it is quite unfit for a ship like the "Australia," unless assisted by tugs, and then only in daylight. Besides, when the ship was moored, she touched the ground several times in swinging. Considerable expense was incurred for towage, but this Mr. Driver hopes to get back from the Government.

"On account of the tide, we had to go outside at 10 a.m., and wait until 5 p.m. for the mails and passengers. There being a strong north-east wind, with high sea, we had great difficulty in getting them on board."

We have, &c.,
GILCHRIST, WATT, AND CO.,
General Agents for the Contractors, San Francisco Mail Service.
The Hon. the Postmaster-General, Sydney.

No. 7.

Mr. GRAY to the CHAIRMAN, Californian Mail Service Committee.

SIR,—

General Post Office, Wellington, 20th July, 1876.

By direction of the Postmaster-General, I have the honor to forward, for the information of the Committee, copy of a letter from the Secretary, General Post Office, Sydney, covering an extract from a report by Captain Cargill, of the s.s. "Australia," addressed to Messrs. Gilchrist, Watt, and Co., in connection with the grounding of that vessel when entering Port Chalmers in May last.

The Chairman, Californian Mail Service Committee,
Parliament Buildings.

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

No. 8.

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

SIR,—

General Post Office, Wellington, 21st July, 1876.

I have the honor, by direction of the Postmaster-General, to acknowledge the receipt of your communication of 29th ultimo, forwarding copy of a letter from Messrs. Gilchrist, Watt, and Co., of your city, covering an extract from a report by Captain Cargill, of the steamship "Australia," in connection with the grounding of that vessel when entering Port Chalmers on the 27th May last.

The Secretary, General Post Office, Sydney.

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

No. 9.

Mr. GRAY to the MAIL AGENT, "City of San Francisco," Auckland.

(Telegram.) Wellington, 2nd July, 1876.
BELIEVE that "City of San Francisco" has passed Napier. Send me telegraphic report of reasons for not calling at Napier, and whether, in your opinion, it was impossible or imprudent to call at Napier.
W. GRAY.

The Mail Agent, Auckland.

No. 10.

The MAIL AGENT to the SECRETARY, General Post Office, Wellington.

(Telegram.) Auckland, 3rd July, 1876.
STEAMER did not call at Napier; captain and coastal pilot considered the bar impassable. Have written statement to that effect, in reply to my written request that the steamer should call if practicable. It was blowing strong N.E. gale in Hawke's Bay, but could not say what state the bar would be in.

The Secretary, General Post Office.

SYDNEY P. STEVENS,
Mail Agent.

No. 11.

The MAIL AGENT to the SECRETARY, General Post Office, Wellington.

SIR,— S.S. "City of San Francisco," at Auckland, 3rd July, 1876.
I have the honor to enclose a letter from the commander of the s.s. "City of San Francisco," in answer to a letter I wrote him, copy of which I enclose herewith.

I should not like to offer my opinion against the written statements of the captain and coasting pilot. It was certainly blowing a gale in Hawke's Bay, but I was not sufficiently acquainted with the port to be able to state whether it was either impossible or imprudent to call.

I have, &c.,

The Secretary, General Post Office, Wellington.

SYDNEY P. STEVENS,
Mail Agent.

Enclosure 1 in No. 11.

The MAIL AGENT to the COMMANDER, s.s. "City of San Francisco,"

SIR,— At Sea, 1st July, 1876.
I have the honor to request that you will use every exertion to call at Napier, as much inconvenience will be caused if the Napier portion of the English mail is left behind.

I have, &c.,

The Commander, s.s. "City of San Francisco."

SYDNEY P. STEVENS,
Mail Agent.

Enclosure 2 in No. 11.

Captain WADDELL to the MAIL AGENT, s.s. "City of San Francisco."

SIR,— "City of San Francisco," at Sea, 1st July, 1876,
Cape Kidnapper, heavy sea, compass West, distant 6 miles.
I regret the easterly gale and sea, which, in opinion of the coast pilot, renders the bar at Napier impassable, makes it my duty to pass Napier without communicating to land mails and passengers and receive the same. My instructions are to call "weather permitting."

I have, &c.,

J. J. WADDELL, Commander.

Countersigned—D. S. RICH, Pilot, P.M. Company.
The Mail Agent.

No. 12.

MEMORANDUM by Captains JOHNSON and EDWIN for the Hon. the POSTMASTER-GENERAL, Wellington.

7th July, 1876.

UNDERSTANDING that you are desirous that we should give an opinion as to whether the "City of San Francisco" could have called at Napier for the mail, we have made inquiries as to the state of the weather during the interval between her leaving Wellington and the time she would probably have reached Napier. The weather telegrams show that light winds from the north-east were prevalent at Castlepoint and Napier between 5 p.m. on 30th June and 9 a.m. on 1st July. Allowing the "City of San Francisco" a speed of only nine knots an hour, she should have been between Bare Island and Cape Kidnappers about 1.30 p.m. At this time, the steamer "Ladybird" was about nine miles from the latter place, bound for Wellington, and should therefore have seen the "City of San Francisco" within three or four miles, and probably to seaward. We find the weather was then clear, though cloudy, and sea smooth; and as the weather report from Napier at 5 p.m. states bar "slight swell,"

we are of opinion that, so far as the state of the weather is concerned, the "City of San Francisco" could have embarked the mail and passengers at Napier without difficulty at any time between 9 a.m. and 5 p.m. of 1st instant. As the "Ladybird" did not see the "City of San Francisco," it is evident that the latter must have passed at a long distance off shore, and probably experienced rough weather and sea, which led Captain Waddell to believe that the same weather prevailed at Napier.

The Hon. Sir J. Vogel.

R. JOHNSON,
R. A. EDWIN, Commander R.N.

No. 13.

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

GENTLEMEN,—

General Post Office, Wellington, 26th July, 1876.

The Postmaster-General has directed me to call your attention to the fact that the "City of San Francisco," on her late outward voyage, passed Hawke's Bay on the 1st instant without the commander attempting to communicate with the shore, although the weather and the state of the bar were such as would have enabled the steamer being tendered without difficulty.

In directing your attention to the circumstance, I am to point out to you the serious loss and inconvenience the public of Hawke's Bay have sustained through the action Captain Waddell thought proper to adopt in deciding not to call for the purpose of landing and shipping mails, &c. The Postmaster-General trusts that you will at once issue to the commanders of the mail steamers imperative instructions to call off Hawke's Bay on every occasion the weather will admit of the steamers being tendered. That the weather and the state of the bar would not have precluded the "City of San Francisco" being tendered seems to be quite clear from the attached reports furnished by Captains Johnson and Edwin, of the Marine Department, and to which I have to direct your attention. Further inquiries are being made, and you will again be communicated with on the matter. In the meantime, the Postmaster-General desires that you will take such steps as will effectually preclude any of the contract steamers passing Hawke's Bay when the state of the weather will admit of communication with the shore being effected.

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

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

No. 14.

Messrs. OWEN and GRAHAM to the SECRETARY, General Post Office, Wellington.

SIR,—

Auckland, 3rd July, 1876.

We are favored with your letter of 23rd June, advising us that the Hon. the Postmaster-General has been pleased to direct the refund of £82 6s. 11d., on account of dues paid by the Pacific Mail Steamship Company's vessel the "Colima," and, in accordance with your instructions, we shall apply to the Collector of Customs for the same. F. 3B, No. 15.

We regret to find that the charges levied on the s.s. "Cyphrenes" cannot be viewed in the same favourable light; but as the decision arrived at has been communicated to the General Agents in Sydney, it is unnecessary for us to make any comment.

We have, &c.,
OWEN AND GRAHAM,
Agents, Pacific Mail Steamship Company, Auckland.

W. Gray, Esq.,
Secretary to the Hon. the Postmaster-General, Wellington.

No. 15.

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

SIR,—

Sydney, 5th July, 1876.

We have the honor to acknowledge receipt of your letter of 7th June. We have written to our Agents, Messrs. Owen and Graham, of Auckland, to make application for the sum of £82 6s. 11d., on account of "Colima's" dues, in accordance with your letter. F. 3B, No. 13.

We are, &c.,
GILCHRIST, WATT, AND CO.,
General Agents for the Contractors, San Francisco Mail Service.

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

No. 16.

Mr. MACANDREW to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,—

Wellington, 12th July, 1876.

I have the honor to forward herewith, for the information of the Colonial Government, official report of the Otago Harbour Master, relative to the alleged grounding of the "City of San Francisco" at Otago Heads, from which it will be observed that there is no ground whatever for the allegation in question.

I shall be glad if you will be good enough to direct a copy of this report to be furnished to the Select Committee of the House of Representatives upon the San Francisco Steam Service. It might also be well, in the interests of the colony, that the owners of the vessel should be made acquainted with the facts of the case.

I have, &c.,

J. MACANDREW,

Superintendent of Otago.

The Hon. the Colonial Secretary, Wellington.

Enclosure in No. 16.

Mr. THOMSON to the SECRETARY, Harbour Board, Dunedin.

SIR,—

Harbour Office, Port Chalmers, 3rd July, 1876.

I notice that the Wellington *Argus* has made a most malicious statement to the following effect:—That the steamer “City of San Francisco,” on her last voyage to this port, touched on the outer bar when coming in, and on the inner bar when going out; also, that I expressed some anxiety about the inner bar. And now, in order that such dishonest scheming to injure the character of the Port of Dunedin may not pass unnoticed, I do myself the honor to report, for the information of the Board, the following facts:—

1. The mail steamship “City of San Francisco” crossed the outer bar, bound into this harbour, on the 21st ultimo, on the last quarter flood, drawing 20 feet 8 inches, and did not so much as “smell the ground;” nor by the action of the propeller was the sand stirred up. The lead was kept carefully going, and the least depth of water obtained when crossing was 25 feet; also the sea was very smooth.

2. On the 28th ultimo, when bound out (at night), drawing 21 feet 6 inches, she steered like a boat round the elbow on the inner bar. This, in itself, is sufficient evidence to a seaman that the vessel had a great deal of water to spare; and I may here mention that there was 27 feet of water on the inner bar that night.

3. The only anxiety I expressed about the inner bar was before I proved the vessel’s steering qualities, on the day of her arrival; but having done so outside of the harbour, and finding she answered her helm quickly, I had no anxiety, and at once ordered the steam-tug away that came to assist in steering. Then, again, when bound out, I had no anxiety, otherwise I would not have ordered the vessel to be taken to sea at night, and that without the assistance of a tug.

In conclusion, I may mention that I was on board of the steamer when she was coming in and when she was going out; that Mr. Pilot Kelly had charge of the vessel when entering, and Mr. Pilot Paton when sailing, and that both concur with me in my afore-mentioned statements. I may also say that if the vessel had touched, as stated by the *Argus*, I would have hastened to report the same; and Captain Waddell would have made his voice to be heard in the matter when in Dunedin. This, however, I know, that over-sea shipmasters do not like the anxiety consequent upon a coasting voyage to which they are strangers, which possibly may explain so much of the information said to be received by the *Argus*, of the imaginary grounding of the “City of San Francisco” at Otago Heads. * *

I have, &c.,

WM. THOMSON,

Harbour Master.

The Secretary, Harbour Board, Dunedin.

No. 17.

Mr. GRAY to the CHAIRMAN, Californian Mail Service Committee.

SIR,—

General Post Office, Wellington, 17th July, 1876.

By direction of the Hon. the Postmaster-General, I have the honor to forward, for the information of the Committee, copy of a letter addressed to the Hon. the Colonial Secretary by his Honor the Superintendent of Otago, together with copy of a report furnished by Captain Thomson, respecting the alleged grounding of the “City of San Francisco” on the occasion of her entering and leaving Port Chalmers last month.

I have, &c.,

W. GRAY,

Secretary.

The Chairman, Californian Mail Service Committee,
Parliament Buildings.

No. 18.

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

GENTLEMEN,—

General Post Office, Wellington, 17th July, 1876.

By the direction of the Postmaster-General, I have to forward you copy of a letter addressed to the Hon. the Colonial Secretary by his Honor the Superintendent of Otago, covering copy of a report furnished by the Chief Harbour Master of Otago, denying the correctness of the reports which have been freely circulated to the effect that the steamship “City of San Francisco,” on entering and leaving Port Chalmers last month, grounded on both the outer and inner bars.

I have, &c.,

W. GRAY,

Secretary.

Messrs. Gilchrist, Watt, and Co.,
Agents, Pacific Mail Steamship Company, Sydney.

No. 19.

The COLONIAL SECRETARY to his Honor the SUPERINTENDENT, Otago.

SIR,—

Colonial Secretary's Office, Wellington, 31st July, 1876.

I have the honor to acknowledge the receipt of your letter of the 12th instant, forwarding the official report of the Otago Harbour Master relative to the alleged grounding of the "City of San Francisco" at Otago Heads; and to inform you that, in accordance with your request, a copy has been forwarded to the Select Committee of the House of Representatives upon the San Francisco Steam Service. A copy has also been sent to Messrs. Gilchrist, Watt, and Co., the General Agents for the contractors.

I have, &c.,

His Honor the Superintendent of Otago, Wellington.

DANIEL POLLEN.

No. 20.

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

SIR,—

Sydney, 28th July, 1876.

We have the honor to acknowledge receipt of your letter of 17th July, and to thank you for the information therein contained.

We send by the present out-going mail to the Contractors copies of the letter and documents attached.

We have, &c.,

GILCHRIST, WATT, AND Co.,

General Agents for the Contractors, San Francisco Mail Service.

The Hon. the Postmaster-General, Wellington.

No. 21.

MEMORANDUM for the Hon. the POSTMASTER-GENERAL.

San Francisco Service Payments.

SUMS paid or agreed to be paid by :—

	New South Wales.			New Zealand.		
	£	s.	d.	£	s.	d.
"Colima" (inward, December)	Nil.			Nil.		
"City of San Francisco" (inward, January)	1,729	0	0*	864	0	0
"Granada" (inward, February)	Amount earned			814	0	0
"Granada," coastal service			225	0	0
"Mikado"—"Colima" (inward, March)	Amount earned			1,529	0	0
"Vasco de Gama" (outward, November)	1,019	0	0	1,019	0	0
"Mikado" (outward, January)	Amount earned			1,237	0	0
"City of San Francisco" (outward, February)	"			1,729	0	0
Already paid	6,669	0	0	4,072	0	0
Agreed to pay	2,748	0	0	3,345	0	0
	£9,417	0	0	£7,417	0	0
From New Zealand deduct half of sum agreed to be paid "Granada" for Coastal Service, and add to New South Wales	112	10	0	112	10	0
Total payments	£9,529	10	0	£7,304	10	0

W. GRAY.

General Post Office, Wellington, 6th July, 1876.

No. 22.

Sir DANIEL COOPER, Bart., Sydney, to the Hon. Sir J. VOGEL, Wellington.

SIR,—

Woollahra House, Rose Bay, Sydney, 3rd July, 1876.

In reply to your letter of June last, with respect to the detention of the "City of San Francisco," at San Francisco, from 29th March to 3rd April, in which you ask if she was detained at my request, or if I had condoned the detention, or in any way committed the colony to the detention, I beg to state that I only arrived at New York late on the evening of 28th March, that I was with Mr. Houston nearly all day on 29th, explaining all matters connected with the contact, and showing how groundless were the assumptions that the New South Wales and New Zealand Governments wished in any way to break the contract or treat the contractors in any but a liberal manner. After Mr. Houston had consulted with his directors, it was agreed to despatch the "City of San Francisco" with as little delay as possible, and I forwarded a telegram to you and the Colonial Secretary, at Sydney, which exactly expressed all that I promised.

* The sum agreed at Conference to be paid "City of San Francisco" was half subsidy (£864). New South Wales now desires to make full payment. (Fide telegram of 4th July, F. 3b, No. 23.)

I explained that I had no power to bind either Governments, or in any way condone the delay; but if the steamer were started, I would recommend that the fines be remitted; and I now strongly recommend you to do as this Government has done, remit the amount.

I shall take it as a compliment to myself, and an encouragement to do all I can on my way back to do whatever is in my power to make the contract run smoothly.

The orders for the captain to keep the ship to eleven knots are contained in the general orders given to each captain each voyage, and it was not a special order to the captain on the voyage alluded to; and this point may, I think, be fairly set aside.

I have, &c.,

The Hon. Sir Julius Vogel, Wellington.

DANIEL COOPER.

P.S.—This Government has, yesterday, with my advice, settled all outstanding matters with the contractors, as follows:—

	£	s.	d.
"Vasco de Gama" (inwards), coming to station	No payment.
"Vasco de Gama" (outwards), two-thirds	1,029 0 0
"Colima," broke down	No payment.
"City of San Francisco" (inwards)	1,729 16 2
"City of San Francisco" (outwards)	Paid in full.
"Granada" (inwards)	Paid in full.
"Granada" (outwards)	Paid in full.
"City of San Francisco," second voyage (inwards and outwards)	Paid in full.
"City of New York," second voyage (inwards and outwards)	Paid in full.

No. 23.

The Hon. Sir J. VOGEL to Sir DANIEL COOPER, Bart. Sydney.

SIR,—

General Post Office, Wellington, 15th July, 1876.

I am in receipt of your letter of the 3rd instant, and, in accordance with your recommendation, I have directed that the £500 penalty, deducted on account of the late departure of the "City of San Francisco" from San Francisco in April last, be refunded the contractors forthwith.

I have, &c.,

Sir Daniel Cooper, Bart., Sydney.

JULIUS VOGEL.

No. 24.

The Hon. Sir J. VOGEL to Messrs. GILCHRIST, WATT, and Co., Sydney.

GENTLEMEN,—

General Post Office, Wellington, 15th July, 1876.

By the mail just received from Sydney, I am in receipt of a communication from Sir Daniel Cooper, Bart., in which he urges the remittance of the penalty on account of the late sailing of the "City of San Francisco" from San Francisco in April last. In consequence of Sir Daniel Cooper's recommendation, the Government are willing to remit the penalty, and the amount will be paid you forthwith.

2. It would appear you are under the belief that the sum of £550 has been deducted for the late sailing of the "City of San Francisco." This is not the case, as the department was empowered by the terms of the contract to deduct only £500. The additional £50 represents the bonus paid by this department for expediting the delivery of the "City of San Francisco's" mails along the coast, so as to admit of replies being forwarded by the "Colima." The department had to enter into such an arrangement, as your Auckland Agents failed to stipulate that the mails should be delivered at Port Chalmers with all possible speed. I have been in correspondence with Mr. Driver on this matter; and no doubt he will have apprised you of the action of this department, and that it was rendered necessary through the imperfect arrangement made by your Auckland Agents.

I have, &c.,

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

JULIUS VOGEL.

No. 25.

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 of the 5th of June.

We have to day seen Sir Daniel Cooper, and he advises us that he has written to you, recommending that the full amount of subsidy be paid for the conveyance of the mails per "City of San Francisco" on her last voyage from San Francisco to Auckland.

2. We hope, therefore, you will refund the £550 you have deducted as penalty, and advise us forthwith by wire when you lodge the same, as communication by letter between our two colonies is so irregular and tardy.

3. In future, we will comply with your request, and send copies of any correspondence between the Government and ourselves to which it may be necessary for us to make reference.

4. We thank you for your promise to pay the subsidies as promptly as possible after the arrival of each steamer at San Francisco and New Zealand, leaving adjustment of bonus or penalty for subsequent settlement.

5. As regards cablegraph information, we may state that this Government has authorized the Pacific Mail Steamship Company to wire through us all arrivals and departures at once, and has under-

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.

No. 30.

The Hon. Sir J. VOGEL to the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 19th July, 1876.

SELECT Committee, 'Frisco Service, anxious receive information indicated your telegram, as expected by incoming mail, and your opinions. Committee adopted following resolution to-day:—"That the Committee do adjourn for one week, to enable further information with respect to proposals expected to be received for modifying the existing contract; and that the Government be requested to urge upon the Government of New South Wales to state their views with respect to any such modifications, at as early a date as possible, to enable the question to be dealt with during the present Session of the New Zealand Parliament." Hope you will reply promptly.

The Postmaster-General, Sydney.

JULIUS VOGEL.

No. 31.

The POSTMASTER-GENERAL, Sydney, to the Hon. Sir J. VOGEL, Wellington.

(Telegram.)

Sydney, 25th July, 1876.

RECEIVED letter from Watt, San Francisco, June seventeenth. He states changes in directory Pacific Mail Company likely improve management, and there is no chance service being allowed to drop; and states, on authority President Central Pacific Railway, that Company will take up service if Pacific wishes to drop, or their sureties be not willing to carry on. Watt was about proceeding New York to see directors Pacific, from whence he will write to us.

The Hon. Sir Julius Vogel, Wellington.

POSTMASTER-GENERAL,
Sydney.

No. 32.

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

(Telegram.)

Sydney, 25th July, 1876.

PLEASE cable amounts lodged for "Colima" outward and "Sydney" inward subsidies, as we desire to remit contractors this month; kindly also lodge penalty remitted "Francisco," per your letter fifteenth, received to-day.

The Postmaster-General, Wellington.

GILCHRIST, WATT, AND CO.

No. 33.

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

(Telegram.)

Wellington, 26th July, 1876.

FOLLOWING lodgments made on Saturday:—Bonus, error, seventy-four; "Colima," outward, fifteen twenty-nine sixteen two; refund penalty, five hundred; "City of Sydney," inward, eighteen sixty-nine sixteen two; total, £3,973 12s. 4d

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

W. GRAY.

No. 34.

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

(Telegram.)

Sydney, 8th August, 1876.

WE have just received following cablegram from New York, namely, "Think equitable consideration of Company's good faith and loss entitles further compensation for first three months than offered by Sir Julius Vogel's telegram, thirteenth March. Please give foregoing your favourable consideration in connection with our respects, dated fourth instant.

The Hon. the Postmaster-General, Wellington.

GILCHRIST, WATT, AND CO.

No. 35.

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

SIR,—

Sydney, 4th August, 1876.

We have the honor to enclose copies of letters to and from the General Post Office here, dated 8th May and 1st August respectively, regarding the forwarding of mails and the computation of time; and thank you for acceding to the request that the time occupied on the voyage shall date from the hour at which the pilot leaves or takes charge of the vessel at either Sydney, Port Chalmers, Auckland, or San Francisco.

We shall notify the Agents at San Francisco to this effect, as also the commander of the mail steamers, in order that the official time bills may for the future be computed accordingly.

We have, &c.,

GILCHRIST, WATT, AND CO.,

General Agents for the Contractors, San Francisco Mail Service.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 35.

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

General Post Office, New South Wales, Sydney,

1st August, 1876.

GENTLEMEN,—

Adverting to your letter, dated the 8th May last, enclosing an extract from a letter received by you from the General Agent at San Francisco of the Pacific Mail Steamship Company, with reference to the forwarding of mails, and also the computation of time, I am directed to inform you that, after communicating with the New Zealand Government in the matter, the Postmaster-General is willing to agree to the suggestion made by the Agent of your Company at San Francisco, that the time occupied on the voyage shall date from the hour at which the pilot leaves or takes charge of the vessel at either Sydney, Port Chalmers, Auckland, or San Francisco. It is considered, however, that the steamers should sail so soon as the mails are shipped, and in the event of any serious or needless delay in their sailing (and the Postmasters-General of the two colonies to be the judges as to whether the delay is needless), that the time should then be computed from the hour at which the mails were finally shipped. I am to add that, in consenting to this arrangement, the two Governments reserve the right to waive the concession at any time; and it should also be clearly understood that, in acceding to the request which you make on behalf of the contractors, that fact shall not prejudice the contract in any way.

F. 3c, Enclosure in No. 1.

I have, &c.,

S. H. LAMBTON,

Secretary.

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

No. 36.

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

Sir,—

Sydney, 4th August, 1876.

With reference to your favour, dated 25th April, we have the honor, on behalf of the Pacific Mail Steamship Company, again to make application to you for payment of the outstanding subsidies for the early voyages; and, in venturing respectfully to request your reconsideration of the matter, we have the honor to hand you herein copies of our correspondence on the subject with our Postmaster-General, dated 3rd, 21st, 22nd, 25th, 28th, 31st ultimo, and 2nd instant, from which you will observe that the sum of £1,529 16s. 2d. has been paid to us here in respect of the outward service of the "Vasco de Gama," in November, 1875, and £1,729 16s. 2d. in respect of the inward service of the "City of San Francisco," in January, 1876.

F. 3, No. 113.

We have the honor to request your favourable consideration of the enclosed correspondence, and we trust you may see fit, under the circumstances, to accord settlement for these services on a similar basis.

We have also to bring under your notice that the outward subsidy earned by the "Mikado," in January, 1876, has not yet been paid by you; and we respectfully beg that a settlement may be made in accordance with the schedule rate, inasmuch as although the prescribed route was not strictly adhered to, the contractors, so far as lay in their power, endeavoured to fulfil their agreement to the letter; and we think that an appreciation of the late results of their efforts to carry out an unfavourable contract in its integrity, despite all difficulties and complication, should induce you to treat them with a liberal spirit, and to refrain from inflicting penalties for delays and accidents entirely beyond their control, and inevitable in the initiation of so great an undertaking, which has only been up to the present time a serious loss of money.

The Postmaster-General here paid us £1,529 16s. 2d. for the "Mikado," on 31st March, 1876.

A sum of money is also due for the service of the "Granada" along the New Zealand coast, in February, when she carried the "City of Melbourne's" mails from Auckland to Port Chalmers.

Begging your early attention to the foregoing, and in the hope that you will intimate to us your favourable decision by cable, in order that the feelings of dissatisfaction engendered between the contractors and the Colonial Governments, by the long delay in the settlement of these matters, may be set at rest,

We have, &c.,

GILCHRIST, WATT, AND CO.,

General Agents for the Contractors, San Francisco Mail Service.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 36.

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

Sir,—

Sydney, 3rd July, 1876.

We have the honor to bring under your notice the long-outstanding subsidies due to the Pacific Mail Steamship Company for the services of the "Vasco de Gama," "Colima," "Cyphrenes," and "City of San Francisco," and to respectfully request that payment may be made to us for same.

We forwarded you, on 2nd May, copy of a letter from Messrs. John Elder and Co., Donald, R. Macgregor, and Lawrence Clark and Co., dated 15th March, 1876, giving a full history of the initiation of the service, and explaining how unusual efforts were made to get the ships ready with the utmost rapidity, and how, in consequence of the interruption of the cable, it was found necessary to send the first vessels *via* Auckland.

On all these matters you have now had an opportunity of conferring with Sir Daniel Cooper, your representative in arranging the contract, and ascertaining the accuracy of the statements made.

The actual results up to the present date show that no effort was spared by the contractors to establish a satisfactory service, and carry out the programme of the contract to the letter, notwithstanding great difficulty and serious pecuniary loss.

We have again written to the Postmaster-General of New Zealand, who is also withholding the subsidies; and we venture respectfully to hope that a further reconsideration of the matter, under the light of recent performances, and the information you may have received from Sir Daniel Cooper, will enable you to treat the contractors with a liberality sufficient to encourage a continuance of performances creditable to themselves and advantageous to this colony.

We have, &c.,

GILCHRIST, WATT, AND CO.,

General Agents for the Contractors, San Francisco Mail Service.

The Hon. the Postmaster-General, Sydney.

Enclosure 2 in No. 36.

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

General Post Office, New South Wales, Sydney,

21st July, 1876.

GENTLEMEN,—

I am directed to acknowledge the receipt of your letter, dated the 3rd instant, requesting payment of subsidies alleged to be due to the Pacific Mail Steamship Company for the services of the "Vasco de Gama," "Colima," "Cyphrenes," and "City of San Francisco."

In reply, I am to inform you, as regards the inward passages of the "Vasco de Gama" and "Colima," that the voyage of the former vessel was not performed under contract, and that the latter brought no mails, left before the date upon which the contract came into operation, followed an unauthorized route, omitted to call at Fiji, and incurred penalties amounting to £1,436 for late arrival, under which circumstances it has been decided that no payment will be made on account of these voyages.

With reference to the claim of £1,529 16s. 2d., in respect of the "Vasco de Gama" on her outward passage, I am to state that, as this vessel did not follow the prescribed route under the contract, and exceeded the time allowed for the voyage by seventy-three hours, it cannot be recognized to the full amount; but, in consideration of the service actually rendered on this trip, the Postmaster-General has authorized two-thirds of the minimum subsidy to be paid.

A voucher therefore for £1,019 17s. 4d., and one for the sum claimed on account of the inward voyage of the "City of San Francisco," £1,729 16s. 2d., although this vessel also followed an unauthorized route, will be forwarded to you accordingly.

I have, &c.,

S. H. LAMBTON,

Secretary.

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

Enclosure 3 in No. 36.

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

SIR,—

Sydney, 22nd July, 1876.

We have the honor to acknowledge receipt of your favour of 21st instant, authorizing payment of £1,019 17s. 4d. for the outward subsidy of the "Vasco de Gama," in November, 1875, and £1,729 16s. 2d. for the inward subsidy of the "City of San Francisco," in January, 1876.

We venture respectfully to beg your reconsideration of the amount named for the "Vasco de Gama," and, in doing so, we have the honor to bring under your notice again the circumstances which, in our opinion, entitle the contractors to full payment on the part of the New South Wales Government for her service.

The "Vasco de Gama" was specially chartered by the Pacific Mail Steamship Company, at great expense, to fulfil the condition of their contract that the service should commence in November, 1875, and she was sent from San Francisco to Sydney to take up her position here in the month named.

For her voyage from San Francisco to the colonies she has not received any subsidy whatever, and, as the subsidized vessel, chartered here, was leaving California about the same time, she had very few passengers; consequently her round voyage from San Francisco to the colonies and back subjected the contractors to a very heavy loss, amounting, we are informed, to some fifty thousand dollars.

The departure from the prescribed route, to which you allude, was necessary, in order that both colonies should be served, there being no vessel available to junction with her at Fiji.

We have forwarded to you copies of letters from Messrs. John Elder and Co., Donald R. Macgregor, and Lawrence, Clark, and Co., showing how their earlier arrangements for the initiation of the service were marred by the interruption of the cable communication with Australia, and that nothing was further from their minds, or those of the contractors, than a desire to do otherwise than carry out the letter of their agreement to the satisfaction of the colonies.

The experience of the result of their efforts up to the present time must have proved to you that the contractors throughout have been actuated by the most perfect good faith, immense enterprise, and total disregard of expense, in establishing a mail service which is admittedly most creditable to the colonies and themselves; and as their losses have been so severe, in consequence of the disasters to the "Colima" and "Cyphrenes," over which they had no control, and for which they cannot get any compensation, we trust you will not deal harshly in the infliction of penalties for the slight departures from the contract, and misfortunes which have arisen from the labour and delay inseparable from the construction and concentration of such magnificent vessels as now visit our port, as well as the many other minor difficulties attending the establishment of so important and complicated a mail service.

We therefore trust that even if, on reconsideration, you adhere to the decision not to recognize the inward services of the "Colima" and "Vasco de Gama," or those of the "Cyphrenes," the outward subsidy of "Vasco de Gama," for November, 1875, may be increased to the amount earned under the contract schedule.

As it is of the utmost importance that we should advise the contractors fully on these matters by the outgoing mail, and remit such funds as may be paid to us, we beg your earliest attention to the foregoing.

We have, &c.,

GILCHRIST, WATT, AND CO.,

General Agents for the Contractors, Californian Mail Service.

The Hon. the Postmaster-General, Sydney.

Enclosure 4 in No. 36.

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

SIR,—

Sydney, 25th July, 1876.

With reference to your favour of the 21st instant, and our respects dated 22nd instant, we have the honor to say that we think if the amount of £1,529 16s. 2d. were paid for the outward service of the "Vasco de Gama," from Sydney to San Francisco, *via* Auckland, in November last, it would be a fair settlement of that matter as between the Government and the contractors. We of course only express our opinion, without prejudice to the reopening of the question, should the contractors see fit to do so.

We have, &c.

GILCHRIST, WATT, AND CO.,

General Agents for the Contractors, Californian Mail Service.

The Hon. the Postmaster-General, Sydney.

Enclosure 5 in No. 36.

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

General Post Office, New South Wales, Sydney,

28th July, 1876.

GENTLEMEN,—

I am directed to acknowledge the receipt of your letters, respectively dated 22nd and 25th instant, and with reference to the statement in the latter that you think if the amount of £1,529 16s. 2d. were paid for the outward service of the "Vasco de Gama," from Sydney to San Francisco, *via* Auckland, in November last, it would be a fair settlement of the matter as between the Government and the contractors, the Postmaster-General desires me to say that he is disposed to accede to this application, if you will give a receipt in full on account of the contractors for all outstanding claims.

I have, &c.,

S. H. LAMBTON,

Secretary.

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

Enclosure 6 in No. 36.

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

SIR,—

Sydney, 31st July, 1876.

We have the honor to acknowledge receipt of your favour dated 28th July, and beg to say that, on receiving the sums of £1,529 16s. 2d. and £1,729 16s. 2d., we will give a receipt in full for the outward subsidy of the "Vasco de Gama," in November, 1875, and the inward subsidy of the "City of San Francisco," in January, 1876, respectively, in accordance with our respects, dated 25th July.

We have, &c.,

GILCHRIST, WATT, AND CO.,

General Agents for the Contractors, Californian Mail Service.

The Hon. the Postmaster-General, Sydney.

Enclosure 7 in No. 36.

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

General Post Office, New South Wales, Sydney,

2nd August, 1876.

GENTLEMEN,—

With reference to your letter, dated the 31st ultimo, I am directed to inform you that the Postmaster-General has authorized payment of the sum of £1,529 16s. 2d. in respect of the outward voyage of the "Vasco de Gama," in November, 1875, and the sum of £1,729 16s. 2d. for the inward voyage of the "City of San Francisco," in January last, respectively, in full discharge of the services named.

I have, &c.,

S. H. LAMBTON,

Secretary.

Messrs. Gilchrist, Watt, and Co.,

Agents for the Pacific Mail Steamship Company, Sydney.

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1876.

