

No. 40.

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

SIR,—

General Post Office, Wellington, 21st August, 1877.

I am directed to forward herewith, for the information of the Hon. the Postmaster-General, copy of further correspondence relative to a matter of law costs in dispute between the two Governments and the contractors for the San Francisco Mail Service. The other correspondence on this subject will be found in the enclosed printed papers in letters numbered thirty-six to fifty-four inclusively.

I am to state that the Postmaster-General is of opinion Messrs. Foster and Thomson's account is a charge which should in all fairness be borne by the contractors. Viewing, however, all the circumstances of the case, and having been informed in a recent communication from Messrs. Gilchrist, Watt, and Co. that your Government is unwilling to press the claim, the Postmaster-General consents to abide by any decision your department may see fit to arrive at in the matter.

The Secretary, General Post Office, Sydney.

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

No. 41.

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

GENTLEMEN,—

General Post Office, Wellington, 23rd August, 1877.

Adverting to my communication of the 6th instant, I have to inform you that I have by this mail addressed the Secretary of the General Post Office, Sydney, relative to Messrs. Foster and Thomson's account for law costs. *Vide No. 36.*

Advices which have come to hand from the Agent-General since the date of my former communication above quoted only tend to strengthen the opinion already expressed by this department that the account in question is a fair charge against the contractors. Viewing, however, all the circumstances of the case, the Postmaster-General has consented to abide by any decision the Government of New South Wales may see fit to arrive at in the matter.

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

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

No. 42.

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

SIR,—

General Post Office, Sydney, 16th August, 1877.

Adverting to your telegram dated the 8th May last, stating, with reference to the claim made by Messrs. J. Mackrell and Co., on behalf of Messrs. Foster and Thomson, for the sum of £119 4s. 6d. in connection with the settlement of the San Francisco Mail Contract, that you have actually deducted the half amount due to New Zealand, £59 12s. 3d., from the contractors, and paid the same to Messrs. Mackrell and Co., but that, as the contractors protest against the deduction, the matter has been referred to your Agent-General in London, I am directed to inform you that the New South Wales share of the amount has not been deducted from payments to the contractors, but the Postmaster-General approves of the matter being left to the Agents-General in London for this colony and New Zealand to be amicably and fairly settled.

I am to add that if it be determined to give up the claim of New Zealand the Postmaster-General will be willing to abandon the claim of this colony, and the Colonial Secretary has accordingly been requested to instruct the Agent-General for New South Wales to this end.

The Secretary, General Post Office, Wellington.

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

No. 43.

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

SIR,—

General Post Office, Wellington, 10th September, 1877.

I am directed to acknowledge the receipt of your communication of the 16th ultimo with reference to the claim of Messrs. Foster and Thomson, of New York, for law costs in connection with the present San Francisco Mail Contract, payment of which is disputed by the Pacific Mail Steamship Company, and, in reply, I beg to refer you to my letter of the 20th ultimo on the subject.

The Secretary, General Post Office, Sydney.

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