

Enclosure in No. 55.

POSTMASTER-GENERAL'S ORDER.

Post Office Department, Office of Foreign Mails, Washington, D.C.,
20th September, 1888.

UNDER and in accordance with the provisions of sections 4,009, 4,010, and 4,011 of the Revised Statutes of the United States (which are here referred to), it is hereby ordered: That, subject to the provisions and conditions hereinafter contained, the sum of \$50,000 per annum shall be allowed and paid to the Oceanic Steamship Company, of the City of San Francisco, State of California, as full compensation for the services rendered by said company in transporting, by its steamers sailing from San Francisco to New Zealand and New South Wales *via* Honolulu, all mails made up in the United States destined for the Hawaiian Kingdom, the Australasian Colonies, and New Caledonia, and other islands in the Pacific Ocean. Payment to be made quarterly, at the rate of \$12,500 per quarter. Provided the mails are conveyed in steamers of United States build and register, and that if in any case a foreign-built steamer shall perform the service herein referred to, then the sum allowed said foreign steamer shall be \$1,000 less than would be allowed to a steamer of United States build and register for the same service, or in that proportion for any service: Provided further that said company shall despatch a steamer at intervals of about four weeks, making thirteen despatches in twelve months; and that if less than thirteen despatches occur during twelve months, then the amount herein ordered to be paid annually to said company shall be reduced one-thirteenth part of said amount for each and every despatch less than thirteen: Provided further that said company shall cause the sailing of their steamers to be delayed not more than twelve hours after their advertised hour of departure whenever such delay may be necessary in order to receive mails to arrive at San Francisco by railway-trains from the eastern portion of the United States; and for each and every failure to so delay a steamer when requested to do so by the Postmaster at San Francisco, then the sum of \$500 shall be deducted from the amount which would otherwise be due for said steamer's services during the voyage in question. The annual payment herein provided for shall be in full compensation for services rendered by the steamers of the Oceanic Steamship Company which sail for New Zealand and New South Wales, and shall not include additional service rendered by steamers of said company that sail for the Hawaiian Kingdom only, which additional service shall be paid for at the rates of compensation at present allowed for said service. The provisions of this order shall take effect with the sailing of the Oceanic Steamship Company's vessel to sail from San Francisco for New Zealand and New South Wales on or about the 17th day of November, 1888, and shall continue in force until otherwise directed.

DON M. DICKINSON, Postmaster-General.

No. 56.

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

SIR,—

General Post Office, Sydney, 2nd January, 1889.

I have the honour to acknowledge, with thanks, the receipt of your letter of the 17th November last, covering copies of correspondence received from Mr. R. J. Creighton, Resident Agent in San Francisco for the Government of your colony, in connection with the San Francisco mail-service.

It is understood from the correspondence referred to that from the 18th November last the United States Government will contribute at the rate of \$46,000, or £9,200, per annum towards the cost of the service; also that of this amount \$16,000, or £3,200, represents the amount hitherto paid by the United States Government to the contractors by way of gratuities, and which the contractors are allowed to retain, and that the balance of \$30,000, or £6,000 per annum, will be divided equally between the two contracting colonies (New South Wales and New Zealand) and the contractors. It is further understood that the whole of the United States contribution will be collected by the contractors, and the subsidy of each contracting colony, from the date mentioned, reduced by its share of that contribution.

I have, &c.,

The Secretary, General Post Office, Wellington.

S. H. LAMBTON, Secretary.

No. 57.

Mr. GRAY to the SUPERINTENDENT OF FOREIGN MAILS, Washington.

SIR,—

General Post Office, Wellington, 23rd January, 1889.

I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of your letter of the 7th ultimo in reference to the increase in the contribution by your department towards the cost of the San Francisco service, and enclosing copy of the Postmaster-General's order, dated the 20th September last, authorising the payment of \$50,000 annually to the Oceanic Steamship Company for the conveyance of United States mails to the Australasian Colonies.

In thanking you for the information conveyed in your letter, I am directed to state that the reference made in my letter of the 3rd November last to a fixed sum of \$46,000 per annum to be paid by your department was based on what had been stated by Messrs. J. D. Spreckels and Brothers, to the effect that out of the \$50,000 a deduction of \$4,000 would be made in respect of the mail-steamship "Zealandia," which was not an American-owned registered vessel.

I have, &c.,

The Superintendent, Office of Foreign Mails,
Post Office Department, Washington, D.C.

W. GRAY, Secretary.