Considering the fineness of the time-table, we can realise the spirit in which Mr. Spreckels made the amendment, as even a delay of three days at San Francisco means a terrible rush for the round trip, and the possibility of leaving Sydney short of coal and with many a thing undone which should have been done. Of course, according to our agreement, the question can still be reopened by Sir Joseph Ward; but we sincerely trust that, considering the contract has already run quite a part of its duration, the reading of clause 9 will be accepted just as it now is. As we previously wrote you, we did not imagine for a moment that the steamer would leave San Francisco immediately on the expiration of the seventy-two hours as provided for in the contract, as they would be almost sure to know to a moment when the mails would arrive, and if despatched from Liverpool on their due date by a fast steamer it is improbable, to say the least of it, that even three days' detention will ever occur.

We remain, &c.,

HENDERSON AND MACFARLANE.

The Secretary, General Post Office, Wellington.

No. 18.

The Secretary, General Post Office, Wellington, to Messrs. Henderson and Macfarlane, Auckland.

Wellington, 12th August, 1902. FR'isco contract: Minister has agreed to seventy-two instead of ninety-six hours' detention at Fr'isco on the conditions already discussed by ourselves.

No. 19.

Messrs. Henderson and Macfarlane, Auckland, to the Secretary, General Post Office, Wellington.

Oceanic Steamship Company (American and Australian Line), Auckland, 13th August, 1902.

SIR,-Thanks very much for your telegram of 12th instant, advising the Minister's consent to clause 9 of the mail contract on the conditions discussed between ourselves. We have cabled the information to Mr. Spreckels, also advising him in the same cable of the Minister's agreeing to our steamers calling at Fanning Island. We think this will be done alternate trips. Yours, &c.,

HENDERSON AND MACFARLANE.

The Secretary, General Post Office, Wellington.

No. 20.

The SECRETARY, General Post Office, Wellington, to the Superintendent of Foreign Mails, Washington, D.C.

General Post Office, Wellington, 15th August, 1902. SIR,-I have the honour to acknowledge the receipt of your letter of the 22nd May last [No. 73], informing me, in reply to mine of the 24th April on the subject of the revision of the San Francisco mail-service contract, that your Administration has no objection to the insertion in the contract of a stipulation that the Oceanic Steamship Company shall hold its steamers at San Francisco when that course becomes necessary in order that the British closed mails may connect with them.

I note that requests to the company for the detention of steamers will be made by you, and that no objection is raised to the company being paid demurrage on account of detention at the rate of £5 an hour after the first twelve hours.

The Postmaster-General directs me to express his cordial appreciation of the ready response

of your office to the wishes of this Department.

Your suggestion that the revised contract should, if practicable, provide for the arrival at and departure from Auckland of the steamers at more convenient dates than at present, has had careful consideration, but I regret to say that no change appears possible so long as the three-weekly service is performed by only three vessels. The fact of the outward mail leaving Auckland three days before the arrival of the inward mail received full consideration in the first instance, and the contractors have on more than one occasion since then expressed their inability to make any change, and have represented that the inward schedule, which was drawn up by your office, governed the outward one. The present minimum stay of the mail-steamers at the terminal ports of San Francisco and Sydney would, unfortunately, appear to be unavoidable. I have, &c.,
W. Gray, Secretary.

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