

(Return to an Order of the House of Representatives, dated 7th August, 1872.)

“THAT there be laid upon the Table, a Statement of the Amount of Penalties agreed to be remitted by the Colonial Treasurer to the Contractors for the San Francisco Mail Service, and by what authority so remitted.”

(Mr. Gillies.)

RETURN of the AMOUNT of PENALTIES not claimed from the Contractors for the San Francisco Mail Service.

									£	s.	d.
Outward Voyages	...	...	...	...	...	...	£2,736	0	0		
Inward	„	...	...	...	...	...	982	0	0		
										3,718	0 0
Deduct Premiums earned	...	...	...	...	...	...				74	0 0
Total	...	...	...	...	...	...				£3,644	0 0

NOTE.—By clause 21 of the Contract the penalties have to be adjusted once a year, and by clause 18 the Postmaster-General has power to remit them. Similar power existed in the Panama Contract, also in the Contract of the Peninsular and Oriental Company with the Imperial Post Office. There has been no formal remission of any penalties. On Mr. Webb's arrival in New Zealand he gave the Postmaster-General to understand that he had great difficulty in commencing the line, and had sustained considerable loss, and that if the full penalties were to be inflicted there would be an end of the line. The Postmaster-General gave no pledge beyond the general assurance that the Government desired to deal liberally with the Contractors. Subsequently, when Mr. Webb agreed to reduce the payment receivable from the New Zealand Government up to the termination of the arrangement with the Australasian Steam Navigation Company from £50,000 to £46,000, the Postmaster-General informed him that it was his intention not to recommend to the Government to enforce the penalties for breaches of the agreement committed up to that time. The reduction in the rate of subsidy is equivalent to a saving to the Colony of £2,000. Since that date an amount of £3,384 12s. 3d. has not been paid to the Contractors, owing to no boat leaving one month.

General Post Office,
Wellington, 9th August, 1872.