

Enclosure 8 in No. 171.

The MANAGER, Australasian Steam Navigation Company, to the Hon. the POSTMASTER-GENERAL.

SIR,—

Australasian Steam Navigation Company, Sydney, 17th February, 1876.

Referring to the Secretary's letters of 22nd ultimo and 9th instant, and interview between yourself and Messrs. Cadell, Dibbs, Neale (Directors), and the Assistant Manager, on the 10th instant, relative to this Company's claim for £5,000 for loss sustained through the action of the Government in employing the Pacific Mail Company to despatch their steamers from San Francisco to Sydney in the months of November and December, 1875, during which months this Company were contractors with the Government to carry mails from San Francisco to Sydney, I have the honor to submit, for the consideration of the Government of New South Wales and New Zealand, a statement of some of the circumstances upon which our claim is founded.

1. That on the 17th June, 1875, the Postmaster-General wrote asking if the Company was willing to continue the temporary service for four voyages to and from San Francisco on existing terms, with certain modifications set out in said letter.

2. That by letter of 18th *idem* the Company agreed to do so.

3. That by letter of same date the Postmaster-General approved of same.

4. That after this agreement was made, and during negotiations between the Commissioners in London and the present permanent Contractors, deputations from the Board several times waited on the Postmaster-General, and discovered, in course of conversation, that there was a probability of a contract being made with the present Contractors for a service commencing at both ends in the month of November, and the deputation pointed out to the Postmaster-General that such a contract would clash with the one made with us, and, if carried out, would entail loss to the Company, which it would look to the Government to make good.

5. That on the 10th July the Postmaster-General reiterated to a deputation from the Board what he had previously assured them—namely, that he would take steps to prevent any clashing between the steamers of the permanent and temporary Contractors, and that the Government would not ask the approval of Parliament to the former contract until satisfactory arrangements, whereby clashing would be avoided, had been made with the latter.

6. That the Postmaster-General informed a subsequent deputation that he had given instructions to Sir D. Cooper by telegraph to prevent the overlapping of the two contracts.

7. That notwithstanding this, however, a contract clashing with this Company was subsequently made by you.

8. That on the 2nd July the Secretary to the Postal Department informed the Assistant Manager that the Postmaster-General wished to know if this Company would forego return trips in November and December from San Francisco.

9. That on the 3rd *idem* the Assistant Manager replied that it would be prejudicial to the Company's interests to accede to the request.

10. That on the 7th the Postmaster inquired if the Company would be willing to forego its right to send the "Mikado" from Sydney on the 23rd October, 1875.

11. That on the 14th August, 1875, the Manager wrote referring to Postmaster-General's letter of 7th, and to his inquiries at interview on the 10th *idem*, that the Company was willing to give up, on reasonable terms of compensation, the last two trips, and would be ready to name a sum for the abandonment of the last two months' service so soon as some person was empowered to treat on behalf of the Government or permanent Contractors.

12. That on the 31st August, 1875, the Manager wrote to the Postmaster-General that, with a view to meet the wishes of the Postmaster-General as made known to him at an interview on the forenoon of that day, if he (the Postmaster-General) was desirous that this Company should give up its contract with the Government for the mail service from Sydney to San Francisco for the months of September and October, and from San Francisco to Sydney for November and December, the Company was willing to do so for a payment of £5,000, and provided the Postmaster-General arranged with the owners of the "Macgregor" and the "Mikado" to relieve the Company of those vessels for the period in question, and stating he had been led to believe they were agreeable thereto.

13. After some verbal negotiations on the subject, the matter was for the time ended by the Postmaster-General saying he did not see his way clear to do anything further in the matter at present, but that he would communicate with England, and inform the Company the result.

14. No further communication having been received from the Postmaster-General, the Manager, on the 22nd January, 1876, wrote to him calling attention to the loss the Company had sustained through the action of the Government, and claiming £5,000 for losses sustained.

To this no reply was returned, and on the 9th instant the Secretary wrote to this effect to the Secretary of the Post Office, and asked for a reply: "15th. At an interview between the Postmaster-General, the Chairman and two members of the Board, and Assistant Manager of the Company, on the 10th instant, the Postmaster-General admitted that the Company had a claim on the Government, and stated his intention of submitting the matter for joint consideration to his Government and that of New Zealand."

I now respectfully submit the foregoing statement of facts only requires to be fairly considered to insure at the hands of the Government a prompt settlement of the Company's claim.

I have, &c.,

F. H. TROUTON,
Manager.

The Hon. the Postmaster-General, Sydney.