

after crank-pin broke. The steamer was immediately put under canvas, the engines were disconnected, and work at once commenced to remove the old pin and insert a new one. This, at any time, is a work of considerable magnitude (as the pin weighs over a ton weight), and, working under such serious disadvantages, we are pleased to be able to report that the new pin was put in under twelve days from the time of the accident, and, after having been tested, full steam was put on to reduce the loss of time—the steamer finally arriving at San Francisco on the 3rd April, after making the fastest passage recorded between Honolulu and San Francisco, and having made up more than a day of the lost time.

We beg to record that the passengers were all well satisfied with the exertions of the ship's company during the tedious delay, and our assurance is hardly needed to convey to you that the officers and crew did everything in their power to facilitate the speedy completion of the repairs.

We trust that, upon consideration of the cause of the delay and the circumstances of the case, you will conclude to remit the penalties for late arrival as empowered under the contract, as the unfortunate occurrence arose from causes beyond the control of human forethought or any scientific precaution which owners could take.

We are, &c.,

GILCHRIST, WATT, AND CO.,

General Agents for the Contractors S. F. Mail Service.

The Hon. the Postmaster-General, Wellington.

No. 39.

Mr. GRAY to Messrs. GILCHRIST, WATT, and Co.

GENTLEMEN,—

Post Office and Telegraph Department, Wellington, 1st June, 1881.

In reply to your letter of the 18th ultimo, in which you ask for remission of the penalties empowered to be inflicted on the Pacific Mail Steamship Company on account of the late arrival, on the 3rd April, at San Francisco from Auckland of the R.M.S. "City of New York," owing to the breaking of a crank-pin, I have the honor to inform you that, after consideration of the points set forth in extenuation, and consultation with the Postmaster-General of New South Wales, it has been decided to inflict the full fine.

I have, &c.,

W GRAY,

Secretary

Messrs. Gilchrist, Watt, and Co., Sydney

By Authority: GEORGE DIDSBUXY, Government Printer, Wellington.—1881.