1888. NEW ZEALAND.

MAIL-SERVICES PACIFIC

(PAPERS RELATIVE TO).

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

Mr. James Mills to the Secretary, General Post Office, Wellington.

Dunedin, 3rd March, 1887. San Francisco Mail Contract.—I have the honour to enclose claim for refund of the portion of the American subsidy, deducted by the Postal Department to date. When the contract was made between the Government and ourselves the agreement was that we were to receive the whole amount paid for the carriage of United States mails, and, in addition, one-third of a sum of £4,000 per annum, which the United States Government had agreed to give by way of subsidy. This is borne out by Clause 10 of the contract. Up to the present we have not received anything in excess of a sum equal to £4,000 per annum, and we therefore claim that the payments so made are really on account of our own mail-money, and that no payment has yet been made by the United States Government on account of the subsidy which was to be apportioned between the New Zealand and New South Wales Governments and ourselves.

I have, &c.,

JAMES MILLS,

The Secretary, General Post Office, Wellington.

Managing Director.

No. 2.

Mr. Gray to the Superintendent of Foreign Mails, Washington.

General Post Office, Wellington, 26th March, 1887. Sir,— I have the honour, by direction of the Postmaster-General, to inform you that the contractors for the San Francisco mail-service make the following representations: "When the contract was made between the Government and ourselves the agreement was that we were to receive the whole amount paid for the carriage of United States mails, and, in addition, one-third of a sum of £4,000 per annum, which the United States Government had agreed to give by way of subsidy. This is borne out by Clause 10 of the contract. Up to the present we have not received anything in excess of a sum equal to £4,000 per annum, and we therefore claim that the payments so made are really on account of our own mail-money, and that no payment has yet been made by the United States Government on account of the subsidy which was to be apportioned between the New Zealand and New South Wales Government and ourselves." The contractors therefore claim a refund of the proportions of the payment at the rate of £4,000 a year, now being made by your office, and which have been deducted by the contracting colonies from the subsidy, in terms of

Clauses 10 and 11 of the contract, a copy of which is herewith enclosed.

I take the liberty to draw your attention to the letters of the 2nd April, 1886 (vide No. 86, F.-3, 1886), and the 31st July (not printed), from your office, and to the cablegrams of the 23rd September, 1885 (vide Nos. 19 and 20, F.-3, 1886), from the Postmasters-General of the United States and this colony, concerning a contribution of £4,000 a year by your department to the present service in excess of the payments then being made for carriage of American mails, and to ask you to be so good as to inform me, for the information of the resonant the £4,000 mentioned by the contractor is in excess of the mail-money formerly paid.

I have, &c.,

W. Gray, to ask you to be so good as to inform me, for the information of the Postmaster-General, whether

Post Office Department, Washington, D.C.

Secretary.