

United States mails, and therefore claim that the amount shall not be divided with the contracting colonies.

From the reply of the Superintendent, Foreign Mails, Washington, it appears that the annual payment of \$20,000 represents a sum of only \$4,000 in excess of the amount formerly paid for the carriage of the United States mails, and that a larger contribution will not be made. It therefore seems to the Postmaster-General that, as the payment is not of the nature contemplated by Clause 10 of the contract, the contractors have a reasonable claim for relief. Major Atkinson would be glad if you would submit the question to your Postmaster-General for his consideration and expression of opinion.

I also enclose copy of printed paper No. F.-3, 1886, in which will be found the early correspondence in connection with the application to the United States Post Office for a special contribution to the San Francisco service. I am to express the Postmaster-General's regret for the delay which has occurred in communicating with your office on this matter.

The Secretary, General Post Office, Sydney.

I have, &c.,

W. GRAY, Secretary.

No. 6.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 3rd April, 1888.

Adverting to my letter of the 3rd December last,* in the matter of the claim made by the San Francisco mail-service contractors for refund of the amounts deducted from the subsidy-payments in respect of the United States Post Office's annual contribution of \$20,000, I am to ask you to favour me with an early reply, as the contractors are pressing for an answer.

I have, &c.,

The Secretary, General Post Office, Sydney.

W. GRAY, Secretary.

No. 7.

The Hon. Mr. ROBERTS to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 25th April, 1888.

HAVE considered the Union Company's claim for refund of amount deducted from subsidy on account of American contributions, and am of opinion that they are entitled to refund by each colony at rate of one thousand and sixty-six pounds thirteen and fourpence per annum from date commencement of contract, namely, twenty-first November, eighteen eighty-five. As far as this colony is concerned I should be glad to place amount upon our next estimates, but it is doubtful whether money can be voted until next session of Parliament.

CHAS. J. ROBERTS,

Postmaster-General.

The Postmaster-General, Wellington.

No. 8.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company of New Zealand, Limited, Dunedin.

(Telegram.)

Wellington, 11th May, 1888.

POSTMASTERS-GENERAL agree that your company entitled to refund at the rate of one thousand and sixty-six pounds thirteen shillings and fourpence per annum from each colony, in respect of United States Post Office contribution.

James Mills, Esq., Union Company, Dunedin.

W. GRAY.

No. 9.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company of New Zealand, Limited, Dunedin.

SIR,—

General Post Office, Wellington, 16th May, 1888.

I have the honour to confirm my telegram of the 11th instant informing you, in reference to the claim put forward in your letter to this office of the 3rd March, 1887, for refund of the amounts deducted from your subsidy-payments in respect of the annual contribution to the United States Post Office of \$20,000 towards the cost of the San Francisco service, that the Postmasters-General have now agreed that your company, as contractors, are entitled to a refund of £1,066 13s. 4d. per annum from each colony from the date of the commencement of the service, the 21st November, 1885.

To make it clear that the contractors are not entitled to claim the whole of the £4,000, I send you copy of letter from the Superintendent of Foreign Mails, Washington, of the 16th of May last,† from which you will observe that the annual contribution of \$20,000 is estimated to be \$4,000 in excess of the postage payments for the conveyance of United States mails by the San Francisco service at the time the contract with your company was entered into. Two-thirds of this lesser sum is therefore receivable by the colonies, the other third by the contractors; and you are entitled to claim only £3,466 13s. 4d. of the £4,000.