

what can be obtained from this country. The United States Post Office Department is unwilling to be a party to the contract made between the Colonial Governments and the Oceanic Company, but prefers to make its own arrangements with the latter, which, of course, would not conflict with the contracts of the former.

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I am, &c.,
JOHN D. SPRECKELS,
Managing Director of the Oceanic Steamship Company.
W. Gray, Esq., Secretary, Post and Telegraph Department,
Wellington, New Zealand.

No. 71.

Mr. BELL to the Hon. the POSTMASTER-GENERAL, Wellington.

Post Office Department,
Office of Foreign Mails, Washington, D.C., 13th February, 1889.

SIR,— I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of your communication of the 1st December last, reciting that Mr. J. D. Spreckels, president of the Oceanic Steamship Company, has transmitted to your department a copy of my letter of the 19th July last to Messrs. J. D. Spreckels and Brothers, containing a statement of the net weights of the United States mails conveyed by vessels of the Oceanic Steamship Company from the 1st July, 1886, and that Mr. Spreckels now claims that the sum of \$20,000 per annum, which, by the order of Postmaster-General Vilas, dated the 8th May, 1886, was allowed said company for services rendered in conveying the United States mails from San Francisco to the Australasian Colonies since the 21st November, 1885, under its contract with your department, was not in excess of, but actually less than, the sum his company should have received; and asking to be informed if said sum of \$20,000 is only equal to what the Oceanic Steamship Company was entitled to claim under the laws of the United States for the conveyance of the United States mails in question.

In reply, I am directed to refer you to my letter of the 16th May, 1887, in reply to yours of the 26th March preceding, and to say that the allowance of \$20,000 per annum for the service in question was estimated to be \$4,000 per annum in excess of what would require to be paid for the service at the same rates of compensation as had been allowed for similar service rendered up to the 21st November, 1885, and that in allowing said \$4,000 in excess of the previous annual cost of the service the Postmaster-General exercised the discretion allowed him under the laws of the United States, and did so in order to comply with the request contained in your cablegram of the 23rd September, 1885, as received at this department.

The Postmaster-General,
Wellington, New Zealand.

I have, &c.,
NICHOLAS M. BELL,
Superintendent, Foreign Mails.

No. 72.

Mr. GRAY to the Managing Director, Oceanic Steamship Company, San Francisco.

General Post Office, Wellington, 22nd March, 1889.

SIR,— I have the honour, by direction of the Hon. the Postmaster-General, to acknowledge the receipt of your letter of the 6th ultimo, and of the copy which accompanied it of the last report of the Superintendent of Foreign Mails, Washington, for which I have to thank you. A copy of your letter has been forwarded to the Postmaster-General of New South Wales for consideration.

With regard to the right of the contractors to the whole of the \$20,000 contributed by the United States under the original contract, the question is, as you observe, still in abeyance, this department having yet to receive advices from the Postmaster-General, Washington, as to the actual claims of the contractors.

The Postmaster-General does not think there should be any objection to the substitution of the "Australia" for the "Zealandia," provided the vessel in every way will be equal to the "Zealandia;" but before giving a definite reply he must consult the Postmaster-General of New South Wales, and also refer the matter to the Union Steamship Company as contractors, to whom a copy of your letter has also been forwarded.

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I have, &c.,
W. GRAY, Secretary.

John D. Spreckels, Esq., Managing Director,
Oceanic Steamship Company, San Francisco, California.

No. 73.

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

General Post Office, Wellington, 3rd April, 1889.

SIR,— I have the honour to acknowledge the receipt of your letter of the 21st February last, with reference to the San Francisco mail-service contractors claiming the whole of the \$20,000 contributed by the United States Post Office up to November last, and to their determination to retain \$20,000 out of the increased annual sum of \$46,000 now being paid.

I delayed answering your letter until I had received a reply to the communication I addressed to the Superintendent of Foreign Mails, Washington, on the 1st December last, as to the right of the contractors to the whole of the original contribution of \$20,000. The reply only arrived by