

this restriction, the observance of economy in this respect, is important, otherwise one or two points might absorb all the means which could arise in California for the support of mail service, leaving the others destitute. At present no more can be contemplated than semi-monthly or weekly transportation, by the cheapest mode of conveyance unless the same can be obtained at any favorable terms, within the yield of the offices. You will bear in mind that no contract can be made for a longer period than four years, that the quarterly periods are for three months commencing on the 1st of January, 1st of April, 1st of July and 1st of October, and that arrangements, accounts and settlements should be made to conform to these divisions of time, unless the circumstances be such as to render it impossible. On making such arrangements, you will immediately report the same to the Department at Washington, for such order and contracts as the Post Master General may make in the premises, in the mean time giving a letter of authority to perform the duties required.

Whether the compensation is restricted to the proceeds of the office or not you will first determine in your own mind a limit for that compensation by the rate per mile per annum. Horseback conveyance of the mail on the present routes in the United States for weekly conveyance will vary from three to six dollars per mile per annum. There may be some few instances in the cotton growing regions where the wealth of the country is considerable, but the white population very sparse, where the compensation will rise perhaps as high as \$10 per mile per annum for weekly horseback conveyance.

You will make the contracts at the lowest offers the competition will produce and not rise above the scale of prices indicated by the foregoing remark. The distance is to be counted but one way.

You will make provision in the contract that payment is not to be made until service is performed and certified to and in every instance of omission there is to be an abatement of the price.

A proper supervision is to be established and maintained to insure performance or deduction of pay. Ailliam Nelson Esq., United States Consul at Panama will be the Mail Agent of the United States for the Pacific Mails. You will promptly advise him by the earliest opportunity of every office put in operation upon the coast, with those in the interior depending on them respectively for their supply, so that he may properly bag the mails for those places.

You will prepare before leaving the United States and take on with you an adequate supply of all the blanks needed by yourself and the Postmasters in California. Also mail keys, locks and bags of different kinds needed for that service. The iron locks and key belonging to it will be used for the interior mails, the brass lock and key for the mails conveyed by the Steam Packets. Hereafter, as the system enlarges in California, further discrimination in the mails may be made by placing the brass lock upon the most important interior routes. At present the iron lock is deemed sufficient.