

1876.  
NEW ZEALAND.

## SAN FRANCISCO MAIL SERVICE,

(FURTHER PAPERS RELATIVE TO).

(In Continuation of papers presented on the 16th June, 1876.)

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

### No. 1.

COPY of a DESPATCH from the Right Hon. the EARL of CARNARVON to Governor the Most Hon. the MARQUIS of NORMANBY, K.C.M.G.

MY LORD,—

Downing Street, 28th April, 1876.

I have the honor to transmit to you a copy of a letter from the Board of Treasury, <sup>F.—3.</sup> dated the 21st of January last, upon the subject of an intimation received from the Postmaster-General of the United States, to the effect that the United States Government find it necessary <sup>Enclosure 2 in No. 96.</sup> to raise the land transit charge on the Australian and New Zealand mails conveyed to and from San Francisco to 33 cents per pound, being the amount actually paid by them; and requesting my assistance to devise some means by which the Imperial Exchequer might be relieved from having to bear the whole weight of this additional charge, estimated to amount to some £12,000 a year.

2. On the receipt of this letter, I communicated copies of it to the Agents-General for New South Wales and New Zealand, and to Sir Daniel Cooper (who as you are aware, while temporarily representing the Government of New South Wales, had been active in arranging the terms of the mail contracts for the Pacific Service), and requested them to call at this office and make any representations they might desire to offer. After hearing them, I requested them to <sup>F.—3.</sup> communicate their views in writing, and I enclose copies of the letters which they subsequently <sup>Enclosure 7 in No. 96.</sup> addressed to this department.

3. After giving my most anxious consideration to the whole question, I felt unable to suggest any mode in which Her Majesty's Government could be relieved from the payment of such charge as may be made by the United States Government for the service in question.

The decision of Her Majesty's Government (adopted in order to surmount a serious difficulty which had arisen between the colonies as to the details of the mail service between Australia and this colony) was, I represented to the Treasury, beyond doubt intended to place the three new colonial ocean services then contemplated as far as possible upon an equal footing, by this country undertaking to carry all mail matter not only free of charge to the colonies, but for equal rates of postage (being the rates then existing) to and from the respective termini of those three services, viz. Galle, Singapore, and San Francisco.

4. I explained that it was on the faith of this understanding that the colonies of New South Wales and New Zealand undertook the Pacific Mail Service to and from San Francisco, the cost of which is very heavy, and which could not have been attempted if it had been liable to be placed at a disadvantage as compared with the other two routes in regard to postal rates or in any other respect not foreseen at the time of entering into the engagement. I therefore informed the Lords Commissioners of the Treasury that, in my opinion, it would not be open to Her Majesty's Government to propose an additional charge on newspapers or other mail matter either outwards or homewards.

5. I have now the honor to inform you that, after full consideration, their Lordships have agreed that during the continuance of the present postal arrangements with the Australasian Colonies, Her Majesty's Treasury should maintain the existing rates for mail matter carried *via* San Francisco, accepting the burden of defraying the increased transit charges levied by the United States Government.

6. The Treasury wish it, however, to be understood that they cannot undertake to defray these charges after the termination of the period of five years for which it was settled that the present