

1880.
NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE

(FURTHER PAPERS RELATIVE TO).

[In continuation of Papers presented on the 29th of September, 1879.]

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

No. 1.

The AGENT-GENERAL to the HON. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 12th July, 1879.

I have the honor to acknowledge the receipt of your letter* of 24th May last, on the subject of the circular telegram from the Secretary of State for the Colonies to the Governors of the several Australian Colonies on the arrangements for the carriage of mails, the contents of which I have duly noted.

My letter† of the 4th July, will have already informed you of the latest steps which have been taken in the matter, and of my views concerning them.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

No. 2.

The Hon. J. T. FISHER to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 19th September, 1879.

I have the honor to acknowledge the receipt of your letter of the 12th July last, in reply to one from this office of the 24th May last, concerning the arrangement for the carriage of the mails, and referring me to your letter of the 4th July, with regard to the latest steps taken in the matter. I beg to inform you that I have communicated with the Postmaster-General of New South Wales, desiring to be informed whether this question should be reopened by a joint representation from our two Governments.

I have, &c.,

J. T. FISHER.

Sir Julius Vogel, K.C.M.G.,
Agent-General for New Zealand, London.

No. 3.

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

SIR,—

General Post Office, Wellington, 13th September, 1879.

I am directed by the Postmaster-General to enclose, for the information of your department, copy of a letter recently received from the Agent-General for this colony, together with a copy of a letter addressed by Sir Julius Vogel to the Secretary of State in reply to despatches from the Colonial office on the subject of the claims of the Colonies of New South Wales and New Zealand for a continuance of the existing postage payments by the Imperial Government until the termination of the San Francisco mail service in 1883. It will be observed that Sir Julius Vogel is of opinion that the correspondence, if reopened, should take the form of direct representations from the two Governments. I am to express the opinion of the Postmaster-General that the two colonies should still press for more favourable consideration on the postage question at the hands of the Imperial Government, and, with this view, I have to remit the matter for the consideration of the Hon. Mr. Samuel.

A memorandum bearing indirectly on this question has recently been presented by Mr. R. J. Creighton, Resident Agent for this Government at San Francisco, to the United States Postal Commission. The paper is mainly a plea for abolition of the transcontinental charges on the English and Australian mails conveyed *via* San Francisco, and a very strong case is undoubtedly made out. The memorandum also places the Imperial postage question in a new light, and adduces cogent reasons

* *Vide* No. 81 of F.—3., Sess. I., 1879.

† *Vide* No. 15, of F.—2., Sess. II., 1879.

why the Imperial Post Office should be again moved to concede to the demands for an extension of the existing payments until 1883. If, after consideration of the enclosed documents, the Hon. Mr. Samuel is disposed to reopen the correspondence with the Colonial Office, the Postmaster-General will be glad to co-operate with him in such further representations as may be deemed desirable.

I beg to enclose a copy of Mr. Creighton's memorandum, which I have to request may be regarded as of a purely confidential character.

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

The Secretary, General Post Office, Sydney.

No. 4.

The Hon. the POSTMASTER-GENERAL, Sydney, to the Hon. the POSTMASTER-GENERAL, Wellington.
(Telegram.) Sydney, 30th September, 1879.

Re your letter of 13th instant. Concur with you that matter should again be pressed upon the consideration of Imperial Government. I am recommending that a despatch be sent complaining of their action in having decided future arrangement at an interview with Mr. Berry, without affording representatives of other colonies, appointed at the express invitation of Secretary of State, an opportunity of discussing the question; and I am urging, for reasons so ably advanced by Agent-General, and also in my minute of 22nd April last, that present arrangement be continued until termination of Frisco contract. I conclude by advising that matters be submitted to the Imperial Government, with an urgent request for reconsideration.

The Postmaster-General, Wellington.

POSTMASTER-GENERAL, Sydney.

No. 5.

The Hon. J. T. FISHER to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 7th October, 1879.

GOVERNOR will be asked to forward memorandum to Secretary of State urging reconsideration postal question, and claiming that two colonies have every right to expect continuance present payments until termination Frisco contract. Exception will be taken to the question having been closed without the Agents-General having been heard, after having been specially appointed to represent colonies at request of Colonial Office.

The Hon. the Postmaster-General, Sydney.

J. T. FISHER.

No. 6.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 15th July, 1879.

Referring to my letter* of 4th July, in which I enclosed the correspondence between the Colonial Office and myself on the subject of the division of postal receipts, I now have the honor to forward, for your information, copy of the reply I have received from the Colonial Office to my letter† of 25th June.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 6.

The COLONIAL OFFICE to the AGENT-GENERAL.

SIR,—

Downing Street, 11th July, 1879.

I am directed by the Secretary of State for the Colonies to acknowledge the receipt of your letter of the 25th of June, replying to the letter from the Treasury, of which a copy was enclosed to you in the letter from this department of the 4th June, respecting the division of the postal receipts from the correspondence passing between the Australasian Colonies and this country, and I am to inform you that a copy of your letter has been communicated to the Lords Commissioners of the Treasury.

I have, &c.

JOHN BRAMSTON.

The Agent-General for New Zealand.

No. 7.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 8th August, 1879.

I have the honor to acknowledge the receipt of your letter‡ of the 2nd June, forwarding copies of telegrams relating to the question of Imperial postages, the contents of which I have duly noted.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

* Vide No. 15, F.-2, Sess. II., 1879.

† Vide Enclosure 4 in No. 15, F.-2., Sess. II., 1879.

‡ Vide No. 82, F.-3, Sess. I., 1879.

No. 8.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 8th September, 1879.

Referring to my letter of 15th July, I now have the honor to transmit, for your information, copy of a further letter which I have received from the Colonial Office, covering copy of the reply received by that department from the Imperial Treasury relating to the decision arrived at respecting the division of postal receipts.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 8.

The COLONIAL OFFICE to the AGENT-GENERAL.

SIR,—

Downing Street, 13th August, 1879.

The Secretary of State for the Colonies caused to be forwarded, for the consideration of the Lords Commissioners of the Treasury, a copy of your further letter of the 25th June, in reference to the decision arrived at by their Lordships respecting the proposal that no change should be made as regards the division of postal receipts till the expiration of the mail contract for the conveyance of the mails to and from New Zealand and New South Wales and this country, which expires in 1883; and I am now directed to transmit to you, for your information, a copy of a letter which has been received at this department in reply.

Sir Michael Hicks-Beach desires me to observe, in connection with this correspondence, that, as the decision of their Lordships as to the amount of the postal receipts to be retained by the Imperial Government is a very considerable modification of their original proposal, and was arrived at after full consideration of your letter* of July 31st, 1878, among other communications, he doubts whether any prolonged consideration of the question, or further advocacy of the views of the colonies concerned, would have been of advantage.

After Her Majesty's Government had consented to reduce by so large a proportion as one-half the amount of postage which it had proposed to retain, the general proposal for negotiations on this point with the Colonial Governments was, in Sir Michael Hicks-Beach's opinion, no longer applicable to the circumstances. But the Lords Commissioners of the Treasury have not failed to consider the representations conveyed in the letters which you have from time to time addressed to this department.

I have, &c.,

ROBERT G. W. HERBERT.

The Agent-General for New Zealand.

Sub-Enclosure to Enclosure in No. 8.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 17th July, 1879.

In acknowledging the receipt of Mr. Bramston's letter of the 11th instant, enclosing copy of a letter from the Agent-General of New Zealand relative to the decision arrived at by this Board as to the future division of postal receipts from correspondence passing between the Australian Colonies and this country, I am commanded by the Lords Commissioners of Her Majesty's Treasury to request that you will state to Secretary Sir Michael Hicks-Beach that my Lords regret that the arrangement in question does not appear to meet with Sir Julius Vogel's approval.

My Lords feel it incumbent on them to repeat that on the termination of the present British Post Office contract with the Peninsular and Oriental Steam Navigation Company the postal arrangements hitherto existing with the Australian Colonies and New Zealand would, as a matter of course, come to an end; and that they have at no time in any way implied that the arrangements at present in existence would be continued beyond that date. Such being the case it was no doubt in contemplation that there should be discussion with representatives from the colonies, as referred to by Sir Julius Vogel, but the presence in this country of the Premier of Victoria afforded an opportunity of learning at any rate the views of that important colony. My Lords must here remark that the question of doubling the packet service between this country and the Australian Colonies *via* King George's Sound has been one which the Board of Treasury have on different occasions expressed themselves desirous of seeing carried out; when, therefore, Mr. Berry, in discussing the matter with me, informed me that he had reason to believe that a fresh contract might be made by his Government with the Peninsular and Oriental Company for a fortnightly service both to Melbourne and Sydney, touching at King George's Sound and South Australia, I consented in that event, on the part of their Lordships, so far to modify their previous decision in regard to the division of postage, &c., as to agree to convey the mails as at present free of charge to the colony as far as Ceylon and *vice versa*, on the condition that, in lieu of the inland rate of one penny on the outward correspondence, the British Post Office should receive twopence on such outward correspondence, as an equivalent to the inland rate on the outward and homeward correspondence.

I am further to state that my Lords, on agreeing to the arrangement with Mr. Berry, thought it but fair to the other Australian Colonies and New Zealand that it should be made equally applicable to them, and they therefore requested the Secretary of State to inform the respective Governments; and I am to add, with reference to the concluding paragraph of Sir Julius Vogel's letter, that my Lords cannot but regret that he should think there was any intention on their part of not recognizing his position as the representative of his Government as respects the postal question.

I have, &c.,

H. SELWIN IBBOTSON.

R. G. W. Herbert, Esq., Colonial Office.

No. 9.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,— 7, Westminster Chambers, London, S.W., 4th September, 1879.

I have the honor to acknowledge the receipt of your letter of the 19th July, on the subject of the decision of the Imperial Government on the postal division.

You will have already learned that the Treasury will do nothing in the matter, and that I have referred to the Government the question of further action, if any.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

No. 10.

The SECRETARY of STATE for the COLONIES to His Excellency the GOVERNOR.

SIR,— Downing Street, 8th September, 1879.

With reference to my Despatch* of the 4th June, respecting the decision of the Lords Commissioners of the Treasury in regard to the division of the postal receipts between this country and the Australian Colonies, I have the honor to transmit to you the enclosed copies of a correspondence between this department and the Agent-General representing your Government upon this subject.

It will be perceived that the fullest attention has been paid to the representations made in the interests of the colony under your Government, although the decision of Her Majesty's Government to grant much more favourable terms than those originally proposed rendered unnecessary that conference with the colonial representatives which I suggested in the first instance.

I have, &c.,

M. E. HICKS BEACH.

Governor Sir Hercules Robinson, G.C.M.G., &c.

Enclosure in No. 10.

The AGENT-GENERAL to the COLONIAL OFFICE.

SIR,— 7, Westminster Chambers, London, S.W., 19th August, 1879.

I have the honor to acknowledge the receipt of your letter of the 13th instant, transmitting copy of a letter which has been received by the Colonial Office from the Treasury respecting the division of postal receipts. I will refer this letter to my Government, to which I have already referred the previous correspondence.

I have, &c.,

JULIUS VOGEL,

Agent-General.

R. G. W. Herbert, Esq., Under-Secretary, Colonial Office.

[For balance of Enclosures see Enclosures to No. 8 of this series.]

No. 11.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL,

SIR,— 7, Westminster Chambers, London, S.W., 28th October, 1879.

I have the honor to enclose you copy of correspondence with the Secretary of State concerning the instructions given to the American postal authorities respecting the transmission to Europe of the New Zealand mails. I have not liked to take upon myself the responsibility of sanctioning an alteration.

The present arrangement works admirably, and the occasional earlier arrival of one mail would not compensate for the occasional late arrival of another. The lines now selected are very punctual. Sir Daniel Cooper, whose letter to the Secretary of the New South Wales Agent-General's Department I enclose, thinks the power requested should be given, but Mr. Russell thinks it safer to preserve the present arrangement. I must leave the matter for you to decide.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 11.

Mr. PAGE to the AGENT-GENERAL.

General Post Office, London, 14th October, 1879.

SIR,— I am directed by the Postmaster-General to remind you that, in October, 1875, his Lordship was requested by Sir Daniel Cooper and Mr. Thomas Russell, joint special representatives of New South Wales and New Zealand, to address a communication to the Postmaster-General of the United States, begging that orders might be given to the New York Post Office not to forward to this country by any vessels except the Saturday boats of the White Star, Inman, or Cunard lines, or by the Cunard steamer of Wednesday, any of the monthly mails reaching New York from the Australian Colonies *via* San Francisco.

In compliance with that request the Postmaster-General of the United States was written to, and the instructions given by him to the Postmaster of New York have been acted upon up to the present time.

A case having recently occurred in which the Australian mails have suffered delay by being detained at New York until the departure of a Wednesday packet, the Postmaster-General of the United States has inquired whether it is desired that the rule hitherto observed should continue in force, or whether, when it is apparent to the New York Office that the mails will reach their destination earlier if forwarded by other vessels, they may be so forwarded.

I am to transmit to you a copy of the letter received from Washington, and to request that you will be good enough to favour his Lordship with your opinion as to the answer to be made to this inquiry.

A similar request has been made of the Agent-General for New South Wales.

The Agent-General for New Zealand.

I have, &c.,

WM. JAS. PAGE.

Sub-Enclosure to Enclosure 1 in No. 11.

THE SUPERINTENDENT of FOREIGN MAILS, Washington, to the POSTMASTER-GENERAL, London.

Post Office Department,

SIR,—

Office of Foreign Mails, Washington, D.C., 27th September, 1879.

On the 15th instant the Postmaster of New York telegraphed this department that the Australian mails for Great Britain would arrive at New York on the 16th instant, and asked if they should be despatched by the Guion steamer "Montana," to sail on that day, or be detained for the steamer "Algeria," to sail on the 17th instant. In reply to this despatch the New York Office was instructed that, under the directions received from your office, the mails in question should be held for the "Algeria."

The Postmaster-General having this morning received notice that the Guion steamer "Montana" reached Queenstown at 4 p.m. on the 25th instant, and that the "Algeria" arrived at the same port at 2 a.m. on the 27th instant, I am directed to inquire whether you are disposed to permit any departure from the previous instructions of your office respecting the forwarding from the United States of the closed mails in question, in cases where, as in the instance referred to, it is apparent to the forwarding office that the mails can be more expeditiously sent by other vessels than those to which your instructions restrict them.

I have, &c.,

JOSEPH H. BLACKFAN,

Superintendent of Foreign Mails.

The Postmaster-General, London.

Enclosure 2 in No. 11.

Sir DANIEL COOPER to the SECRETARY, New South Wales Government Agency.

DEAR SIR,—

6, De Vere Gardens, Kensington Palace, W., 16th October, 1879.

I am in receipt of your letter of yesterday, enclosing copy of one from Mr. Blackfan, of the Post Office, Washington, and also one from Mr. W. J. Page, of the General Post Office, London.

In 1876, on my way to Sydney, chiefly on the subject of the San Francisco and New South Wales and New Zealand Postal Contract, I took great pains to see General James, the Postmaster of New York, Mr. Blackfan, of Washington, and the Postmasters at Chicago, Omaha, and San Francisco; and the whole matter of the through Australian mail was discussed, and certain promises made to me which have been faithfully kept; and in correspondence with General James I have been constantly informed, up to last month, as to what has been going on.

I know that the United States Government and its postal authorities, and also the railway companies, have done everything to facilitate the passage of the mail both ways that it was possible for them to do, even to expediting the trains between Chicago and New York—making it to arrive before time to catch the outgoing White Star steamer, and detaining the steamer at Sandy Hook until the mail could be sent on board by tender. General James keeps a record of the passages of all steamers going to and from Great Britain and New York, and he knows exactly the speed of each. I should strongly urge both the Postmaster-General of England and the Postmasters-General of New South Wales and New Zealand to put full confidence in General James and the United States Government, and place this mail entirely in their hands, unfettered by any restrictions. They have earned this confidence by the way they have managed it for four years, and they ought to have it.

I have, &c.,

DANIEL COOPER.

S. Yardley, Esq.

No. 12.

THE SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington (Telegram).

Sydney, 24th December, 1879.

It appears that some mails from these colonies *via* Frisco for London have been delayed through being detained for despatch by certain boats from New York, according to arrangement made in October, 1875. America has asked, through London, whether, when it is obvious delay will be caused by adhering to arrangement, New York Office may use discretion respecting despatch. What is your opinion? Postmaster-General thinks General James or his *locum tenens* might use discretion and forward mails by most favourable opportunity. Reply by wire.

SECRETARY, General Post Office, Sydney.

The Secretary, General Post Office, Wellington.

No. 13.

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

(Telegram.)

Wellington, 31st December, 1879.

Re your telegram of 24th, correspondence received from Agent-General identical with that which seems to have reached you. Postmaster-General is of opinion that existing arrangements should not be disturbed. Only one mail seems to have suffered delay. The occasional earlier arrival of one mail would not compensate for the occasional late arrival of another, which would probably be the result of any change.

Secretary, Post Office, Sydney.

W. GRAY.

No. 14.

Mr. GRAY to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 3rd January, 1880.

I have the honor to acknowledge the receipt of your communication of the 28th October last, enclosing copy of correspondence from the Secretary of State concerning the instructions given to the American postal authorities respecting the transmission to Europe of the Australasian and New Zealand mails, and suggesting that preference be given on all occasions to the steamer expected to arrive first at Queenstown or Liverpool, as the case may be.

In reply, I have to state that I am quite of opinion with you that the occasional early arrival of one mail would not compensate for the occasional late arrival of another, and that on the whole it would be unwise to disturb existing arrangements. This opinion has been communicated to the Government of New South Wales.

Sir Julius Vogel, K.C.M.G.,

Agent-General for New Zealand, London.

I have, &c.,

W. GRAY,

(for the Postmaster-General.)

No. 15.

The SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 5th January, 1880.

THE Postmaster-General is strongly of opinion it would be better to leave despatch of mails from New York to discretion of postal authorities; but suggests, as opinions differ, that matter be referred to the Agents-General of both colonies. Mr. Samuel considers there must be good reason for suggestions made by authorities at Washington.

SECRETARY, General Post Office, Sydney.

The Secretary, General Post Office, Wellington.

No. 16.

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

(Telegram.)

Wellington, 16th January, 1880.

FORWARDING mails from New York to London: Postmaster-General approves of suggestion made in your telegram of 5th instant. In event of Agents-General, however, being unable to agree, matter to be referred to Imperial Post Office for decision.

The Secretary, Post Office, Sydney.

W. GRAY,

Secretary.

No. 17.

The Hon. JOHN HALL to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 21st April, 1880.

Adverting to my letter of the 3rd January last, respecting the representations made by the American Post Office with the view of effecting an occasional earlier arrival in London of the New Zealand mails than would be secured by existing arrangements, I have now the honor to enclose for your information copies of telegrams exchanged on the subject with the Sydney Post Office, subsequently to the date of my letter.

2. You will observe that I have deferred to the wishes of the Hon. Mr. Samuel for a further consideration of the matter, and that it has been agreed to accept the decision of the Imperial Post Office in the event of the Agents-General being unable to arrive at a joint conclusion.

Sir Julius Vogel, K.C.M.G.,

Agent-General for New Zealand, London.

I have, &c.,

JOHN HALL.

No. 18.

Mr. CREIGHTON to Mr. GRAY.

SIR,—

San Francisco, 4th August, 1879.

I enclose draft memorandum on the British enclosed mail, addressed by me to the Hon. Mr. Money, Chairman of the Congressional Committee on Postal Affairs. Mr. Money has been on the

Coast for some time, and proceeds by the "City of Sydney" to Honolulu, as a guest of the King, who invites him owing to the interest he took in promoting the reciprocity treaty with the United States and Hawaii. I found this gentleman deeply interested in the subject, and willing to take a statesmanlike view of the question.

I therefore endeavoured to present it in such form as in my judgment would induce him to take it up in Congress. If I succeed in this, of which I am sanguine, it is reasonable to hope for a joint resolution of both Houses favouring removal of the transit charges, which are imposed solely for revenue purposes.

I have given a great deal of thought to the question, and devoted a great deal of time to it also, and will be disappointed if I do not succeed in removing this obstacle to the permanence of the mail service.

I would suggest that, in view of the possible contingency of a joint resolution of Congress upon the subject, I should be authorized to conclude a treaty with the United States Post Office, stipulating that, in consideration of the service rendered by the contracting colonies in carrying the United States mail free of charge, and for the purpose of promoting commercial relations between Australasia and this country, the transit charge upon the British enclosed mail to and from the colonies shall be borne by the United States Government, so far as the overland freight is concerned. Send me the draft of a treaty which would be acceptable.

Should you act upon my suggestion, I suppose you must assume that New South Wales will co-operate with you.

I have, &c.,

W. Gray, Esq., Secretary, Post Office, Wellington.

ROBT. J. CREIGHTON.

Enclosure in No. 18.

MEMORANDUM by Mr. R. J. CREIGHTON on the Postal Service and Commercial Advantages of the Trade between the United States and New Zealand and Australia.

WHEN the United States Postal Commission visited this Coast in 1876, I submitted a memorandum giving a historical sketch of the direct mail communication between this country and the Australian Colonies and New Zealand, compiled from public documents and personal knowledge of the facts. In it I suggested that the Congress of the United States should contribute towards the support of this line, as well for the sake of extending American commerce as in consideration for carrying the United States mail, for which practically no payment is made, the whole burden being thrown on the small communities of New South Wales and New Zealand; and I added: "The necessity for taking this subject into consideration is urgent, as, should the present mail service, from any cause whatever, break down, it is highly improbable that New Zealand, at all events, which has already made very large sacrifices, would seek to re-establish it, but would make arrangements, which it could do at much less cost, for receiving and transmitting its mail *viâ* Suez, the Peninsular and Oriental Steamship Company being willing to establish a fortnightly service on condition of having the monopoly of the Australian trade." I continued: "It is respectfully suggested, therefore, to this Commission that they should favourably consider the propriety of recommending the payment of a sufficient subsidy to the contractors to ensure the performance of the service, and so extend and consolidate American commerce in the South Pacific."

2. These suggestions were unheeded, the Commission confining itself to internal postal questions. But, while the Pacific Mail was neglected, schemes of a more or less visionary character, regarded from a strictly commercial standpoint, were discussed, and occupied no small share of public attention. A postal convention with Great Britain was concluded, which is likely to break down the Pacific Mail Service, and nip in the bud a most lucrative trade with the Australian Dominion of England. I make no apology for again quoting from my memorandum to the Postal Commission, inasmuch as it opens the question which forms the subject of the remarks following. I wrote, in continuation of the foregoing extract:—"The attention of the Commission is likewise directed to the following paragraph in the report of the New Zealand Postmaster-General, with the view of recommending a return by the United States Postal Department to the old scale of charges for mail-matter. Should the present charges be insisted upon, it must ultimately lead to a discontinuance of the Australian mail route across the American continent. The Postmaster-General says,—'In December last the United States Postmaster-General intimated to the London Post Office authorities that from the 1st of January, 1876, the rate for the carriage of British closed mails between San Francisco and New York would be increased to 33 cents per lb. on both letters and newspapers, instead of 3½ cents per oz. on letters, and 6 cents per lb. on newspapers—charges which, it was stated, were found wholly insufficient to represent the payments made by the United States Post Office to the railway companies. The closed mails in question were principally those sent and received by New South Wales and New Zealand, and, in order to meet the extra charge, the Lords Commissioners of Her Majesty's Treasury proposed to raise the rates of postage on newspapers and other printed matter sent in the mails to the colonies *viâ* San Francisco. The proposal was in effect to raise the postage on newspapers, &c., to 4d. per 4 oz., and to be at liberty to demand a postage on newspapers sent in the colonial mails sufficient to cover the transit charges of the United States Post Office. This proposal was strongly protested against by the Agents-General of the two colonies, as being entirely against the spirit and intention of the arrangement made in May, 1873, and which was regarded as binding for a period of five years. Eventually the Imperial Government withdrew their claim, but intimated that the basis of payment would have to be reconsidered upon the expiration of the existing arrangement.' The arrangement therefore, by which the colonial mails benefit at the expense of the Imperial Government, terminates in 1879, when a similar concession need not be expected, as the policy of the London Post Office authorities has been to discourage the San Francisco route in favour of the Peninsular and Oriental Service *viâ* Galle and Suez—a service which the Imperial Government subsidized for its India and China mails. It is

respectfully suggested to this Commission that, under the circumstances, the United States Government should manifest a liberal spirit in this matter, which is one of vital importance when the merits of the two competing mail routes are under consideration. It is quite clear that the contracting colonies will not pay double postage-rates and heavy subsidies for the sake of sending their mails to the United Kingdom across the American continent."

3. The contingency thus foreshadowed has arisen. I learn from a newspaper telegram from the Hon. Mr. Berry, Prime Minister of Victoria, when in London recently, that the English Postmaster-General has moderated his demands, exacting only 2d. (4 cents) per half-ounce letter upon the Australian mail, "to meet the increased outlay occasioned by the United States transit charges across the continent." I have not heard, however, whether this concession refers only to the eastern divisions of the Australian Mail, *via* Galle and Singapore, or includes the western division, *via* the Atlantic and San Francisco, also. My impression, however, is, that it refers only to the eastern divisions, for the following reasons: The conditions of the eastern divisions have not varied since the contract with the Peninsular and Oriental Company was entered into, in 1873, by the colony of Victoria. The Queensland contract for a service *via* Singapore and Torres Straits stands in precisely the same position. These contracts and services were in the direct line of Imperial policy, which sustained the Anglo-Indian and Chinese Service, in which the British Government, for obvious reasons, was deeply interested. No change whatever had taken place adding to the cost of conveying the Australian mail to and from Point de Galle and Singapore respectively. But a change had been made of a very important character in the western branch, by reason of the increased transit charges upon the British enclosed mail to and from the Australian Colonies across the American continent. The Agents-General of Victoria and Queensland, in an interview with Sir Michael Hicks Beach, Secretary of State for the Colonies, argued that this American imposition could not be equitably held to vary the conditions upon which the mail in the eastern divisions had been carried under the Imperial stipulations of 1873; while the Agents-General of New Zealand and New South Wales argued that the undertaking was general, and therefore that any extra charge consequent upon the demand of the United States Post Office should be borne *pro rata* by all the colonies—an argument much more ingenious than convincing. (*See New Zealand Parliamentary Papers, series of 1877.*)

4. My opinion is, that the Imperial Government would not be displeased if the Pacific Mail Service to Australia, tributary as it is to American trade and manufactures, should break down. This is evidenced in a great variety of ways; but I need not go behind the official record for confirmatory proof. At p. 29, F.—4, foregoing series, Earl Carnarvon, then principal Secretary of State for the Colonies, in a despatch to Lord Normanby, Governor of New Zealand, "on the extra charge claimed by the United States for the conveyance of mails to San Francisco," has the following: "It would appear that Sir Julius Vogel has misapprehended the purport of my despatch above referred to, in which it was, as I thought, clearly stated that, notwithstanding the very heavy additional cost, Her Majesty's Government were prepared to abide by the arrangement entered into by them. But I desired to make it apparent that, while Her Majesty's Government accepted their obligation with regard to this arrangement, they were under no obligation whatever to renew it, especially on terms which have become very unfavourable; and it was my object to explain to the colonial Governments concerned what would be an acceptable compensation to Her Majesty's Government for the additional cost to which they had unexpectedly been subjected." The obligation referred to was the five years' engagement to deliver and receive the mails free at Galle, Singapore, and San Francisco. This period expired with 1878, upon which Lord John Manners, Postmaster-General, made a demand upon the colonies for 4d. per half-ounce letter transmitted from England to Australia and New Zealand. Lord Carnarvon is not now a member of the British Government, but he appears to have had a keen insight into its policy; for he writes in the same despatch, 20th September, 1876, the following significant sentence: "It seems very desirable for the colonies to consider, with a view to the arrangement to be made after the expiration of the five years now current, whether they will be able to propose to Her Majesty's Government any terms which it can accept for the future maintenance of a Pacific Mail Service." This is the key to what subsequently transpired. On the 6th October, 1876, a postal convention was concluded between the United States and Great Britain, at Washington, of which His Excellency Sir E. Thornton, in a letter to Sir Daniel Cooper, of New South Wales, says, "It seems to me a very fair arrangement, and it was accepted by our Post Office without objection;" yet this very arrangement was made the pretext of the demand by the British Government for increased postal contributions from the colonies, calculated, if not actually intended, to break down the Pacific Mail Service. It was made, moreover, without reference to two of the parties in interest—namely, the colonies of New South Wales and New Zealand, both of which have separate postal conventions with the United States. (*See New Zealand Parliamentary Papers, postal series, 1878.*)

5. Furthermore, this instrument, so satisfactory to the English Postmaster-General, appears to have been executed without much deliberation or actual knowledge. His Excellency the British Minister, in his letter to Sir Daniel Cooper says, *inter alia*, "During my endeavours to come to an arrangement with the United States Post Office with regard to the transit of the mail, which was absolutely necessary, as the old arrangement had expired, I had more than one interview with Mr. Huntingdon, who manages the Central Pacific Railway, but could never ascertain from him what the freight of the mails really was. The Postmaster-General, in his presence, said it had been 33 cents per lb., and was now about 30 cents per lb. Mr. Huntingdon neither denied nor acquiesced except by silence. The Postmaster-General still insists that 30 cents is the cost of the transport." And Sir Edward adds, apologetically, "It is a bad time just now for doing business of any sort. The Postmaster-General is going to Indiana to-morrow on account of the elections, and the Superintendent of the Money Order Office is also absent, and may return on Monday; but it is not certain." I have been more fortunate than Her Britannic Majesty's representative at Washington. Recently I had an interview with Mr. Charles Crocker, director in charge of the Central Pacific Railroad, and Mr. Towne, general superintendent; and, while expressing every desire to meet the wishes of the contracting colonies, they stated that they were quite powerless in the matter—that the removal of the difficulty did not lie with them, inasmuch as the United States Post Office did not pay the railroad company 1 per cent. of the sum

charged for transit rates on the enclosed English and Australian mails. "Am I perfectly safe in making this statement public?" I asked. "Most certainly so," replied General Towne. "We do not receive 1 per cent. of the amount charged."* This is definite, and should satisfy any one that Sir Edward Thornton was in error when he characterized the arrangement as a fair one, which had been accepted by the London Post Office without objection. At all events, an examination of the account would settle the point.

6. No sooner was this fair and unobjectionable instrument officially recorded in London than the English Government took action upon it in the direction indicated by Lord Carnarvon twelve months previously. The Lords of the Treasury, in a minute dated the 28th November, 1877, called the Postmaster-General's attention to the convention of the 6th October, 1876; and on the 10th December Lord John Manners replied, suggesting that the arrangement with the Australian group of colonies should not be renewed, and that 4d. (8 cents) upon each half-ounce letter posted in the United Kingdom for Australia or New Zealand should be retained. His reasons were—(1) that when the arrangement was made in 1873, the Cunard and Inman Companies were paid a fixed subsidy for the Atlantic Service, and that now they were paid by actual weight of mails; (2) that a largely-increased payment has also been made since October, 1876, to the United States Post Office, for the land-carriage between New York and San Francisco of the newspapers, printed papers, and patterns contained in the Australian mails, the transit rates having been raised from 6 cents to 1 franc per lb."

7. This was not an accurate statement, as was subsequently pointed out by Sir Julius Vogel in his memorandum on behalf of New Zealand. The fact is, that the change from a fixed annual payment to a payment by weight on the Atlantic service was a saving of 50 per cent. to the English Post Office; while the transit rates across the continent were reduced by the convention on letters from 60 cents to 52·5 cents per lb., and increased on printed matter from 6 cents to 17·5 cents per lb. By actual calculation the net result, taking the mails of 1876 as an average, is an increase in the transit charges across the continent of \$20,000 per annum. For this increase in America, the English Post Office made a demand equivalent to an annual payment of £30,000, or \$150,000. If the compromise referred to by me at the outset has general application, the London Post Office will still be a gainer by \$30,000 a year. These payments fall upon the colonies, in addition to heavy steamship subsidies.

8. This recital, though tedious, is necessary to an understanding of the point at issue between the mother-country and the colonies arising out of the Pacific Mail Service, in the satisfactory solution of which the United States is deeply interested. Viewed in the light of reciprocal service, it is submitted that the contracting colonies of New Zealand and New South Wales perform services gratis for the United States Postal Department fully equivalent to the transit charges across the continent actually disbursed: (1) They carry the United States mails to and from Honolulu, New Zealand, and the Australian continent—a sea voyage each way of 7,230 miles: (2) they distribute said mail over many thousand miles by land and water in Australia and New Zealand, and forward it by packet to New Caledonia, Fiji, and Samoa, with all of which the contracting colonies are in frequent communication. These services, which the United States could not possibly perform with any degree of promptitude or regularity, are freely and willingly carried out by the colonies of New Zealand and New South Wales, upon which the burden of the transit charges above referred to fall. As a mere condition of reciprocal services, therefore, the United States should forego its charge under the postal convention with Great Britain; but, if any charge at all is to be made, it should not exceed the actual payment to the railroad company for transporting the mail across the continent, as in the case of Canada. Even this, I submit with great respect, would be taking undue advantage of two young commonwealths which have made such material sacrifices for the sake of maintaining direct mail communication with the mother-country *via* the United States. I need not enlarge upon this point. It has only to be fairly stated to commend itself to the honest intelligence of the citizens of the United States, and to the justice of Congress. But there are commercial and political considerations of even greater weight, which I think have been wholly lost sight of by the United States Postal Department when concluding this postal convention with the British Government on a revenue basis. I shall briefly outline a few:

(a) The commercial success of the reciprocity treaty with the Hawaiian kingdom has been largely due to the trading and postal facilities afforded by the Australian steamers, which make thirteen round trips each year. The islands trade has been greatly developed by this service, and if means of intercommunication of a like character be continued for a few years, the Sandwich Islands will practically become American territory.

(b) The mail and freight facilities thus offered to American manufacturers and producers tend to the rapid extension of their export trade. This is evidenced by the growing demand East and on the Pacific Slope for the Australian and New Zealand markets.

(c) The mail contract is with the Pacific Mail Steamship Company, the only American steamship line enjoying a foreign subsidy. The contracting colonies pay, for the present modified service, a yearly subsidy of \$372,500 (£72,500) plus bonuses for rapid voyages. Up to last year the annual subsidy paid the Pacific Mail Company was \$449,750. This outlay is for the conveyance of the British mails to and from Auckland and Sydney, without reference to the United States mails, which derive equal advantage from the expenditure. The existing contract is for eight years, and expires on the 15th November, 1883.

(d) The contracting colonies, in the interests of commerce, and for the convenience of travel, stipulated that the service should be performed by iron steamships, classed A1 at Lloyd's, of not less than 2,300 tons, making eleven nautical miles per hour, and well found and manned.

(e) Thus, at the expense of New South Wales and New Zealand, hundreds of opulent colonists and European tourists are brought through America monthly, who acquire a knowledge of its manufactures and products, and spend money freely. An average of a hundred and twenty cabin passengers travel by each steamer, all of whom are a positive benefit to the United States. A large and growing trade has sprung up with Australia and New Zealand. American reapers by hundreds, steam-engines and locomotives, pumps, wood, iron and steel ware, tools, paints, dried and canned fruit, salmon,

* This is evidently a mistake, although the United States Post Office makes a considerable profit upon the transaction. It is difficult, however, to ascertain the precise amount.

provisions, honey, hops, brooms, barley and wheat, and latterly cotton goods are exported to, and find a ready sale in, the colonial markets. Lumber and doors and sashes are also exported in large quantities to the Australian Colonies, and quite a considerable trade has sprung up from San Francisco to the colonies in bone-dust and fertilizers. This is entirely owing to the freight and postal facilities of the mail steamers. Four vessels are to be despatched direct every season, in addition to the freight carried by the mail steamers, which are always full going away.

9. This trade is in its infancy, but is capable of great development. It is imperilled, however, by the United States Postal Department desiring to make revenue out of the transit charges upon the British enclosed mails to and from the colonies. Beyond question, if this unreasonable impost be continuously levied, the Pacific Mail Service will be discontinued, and the American flag will disappear, except casually, from the South Pacific. For mail purposes New Zealand, but more especially New South Wales, may be quite as well served by the eastern route; but they seek to establish commercial relations with the United States, as is evidenced by their subsidy to the Pacific Mail Steamship Company, and previous subsidy of Webb's steamers. However, this may be too dearly bought. It is unreasonable to expect foreign communities to tax themselves continuously to preserve trading intercourse with a country which pockets their subsidy, prohibits the importation of their products by a protective tariff, sends its mails tens of thousands of miles at their cost, and makes a large profit upon their mail-freight across its territory. This is a one-sided kind of reciprocity which must break down. On the eastern route there are, competing with the Pacific Mail Line, the subsidized Peninsular and Oriental Company, the subsidized line *via* Torres Straits, which is to be made a fortnightly service, and the Orient Steamship Company. The steamships of the latter, very fast and powerful, have made the passage between Southampton and Melbourne, round Cape of Good Hope, and return through the Suez Canal, faster than the Peninsular and Oriental steamers from Southampton to Melbourne *via* the Canal, or the Pacific Mail Service across the American continent; added to this, New Zealand has chartered direct steamships from Southampton, the pioneer ship having arrived out recently with a full cargo and six hundred immigrants. She carried Home a mail under engagement for forty-five days. This proves that there is imminent danger of the contracting colonies taking advantage of any irregularity in the service and terminating the contract, to get rid of the excessive transit charges. They are in no sense compelled to send their mail *via* San Francisco and New York.

10. At the risk of being tiresome, I shall endeavour to enforce the foregoing remarks by a comparison of the Anglo-Australian with the Anglo-Indian, China, and American trade, to show the importance of securing the Australasian trade for the United States. A comparison of this kind is always more instructive and reliable than general statements. I quote from English official statistics for 1875, which will serve for illustration. Following was the gross result of the export and import trade of the United Kingdom with the undermentioned countries:—

	Exports.	Imports.
United States	£21,868,279	£69,590,054
Canada	8,414,079	9,615,927
China	4,928,500	13,607,582
Hongkong (British)	3,599,811	1,154,910
India	24,246,406	30,137,295
Australasia—		
	Exports.	Imports.
New South Wales	£5,584,368	£4,442,680
Queensland	1,122,214	930,106
South Australia	1,183,655	2,955,759
Tasmania	244,044	477,289
Victoria	6,538,797	8,042,858
New Zealand	3,854,090	3,489,138
	£18,527,168	£20,337,830

These figures are exclusive of Western Australia, which, for the purposes of this memorandum, need not be considered. It is geographically out of the calculation. This exhibit of American exports to England does not include gold and silver specie. Australian and New Zealand exports include specie, and gold and silver bullion, the products of those settlements which so materially aid England in adjusting her trade balances with other countries.

11. It will be seen, therefore, that the volume of the export trade of England with Australia and New Zealand in 1875 more than doubled her exports to Canada or Hongkong and China, and was about 25 per cent. less than her exports to British India. But, whereas the India trade is almost stationary, if, indeed, it has not suffered decrease of late, the Anglo-Australian trade is steadily growing. This is a trade worth contending for. In magnitude it exceeds, out of all proportion, anything this country can hope to gain from the much-coveted Canadian trade, reciprocity or non-reciprocity. It also exceeds anything which may reasonably be expected from an extension of trade with such miserably poor countries as Brazil, Mexico, and Central America.

Mercantile Marine.

12. Another consideration of paramount importance in this connection is the necessity for the employment of a large mercantile marine in the Australian and New Zealand trade. The insular position of those countries, their remoteness from European centres, their extended seaboard and tropical and semi-tropical zones (with the exception, speaking generally, of Tasmania, parts of Victoria and New Zealand), render the employment of a large fleet of vessels absolutely essential in this trade. They can only be approached by sea; their outlet is by sea, and the country which commands their export trade must possess a large merchant navy. This will be evident from the official return of tonnage (British and British-colonial almost exclusively) entered at the various ports of New Zealand and Australia in 1874. This shipping aggregated a total of 5,824,976 tons, which employed an army of trained sailors, and gave employment to as many more men at the various ports, discharging cargo, &c. As a means, therefore, of reviving the shipping interests of the United States, the Australian trade

offers greater inducements and promises more certain results than any other similar enterprise. The Central and South American trade cannot be compared with it in these respects. It is, moreover, a trade which, once taken hold of, will pay without subsidies.

13. It is impossible in this paper to follow closely the progressive British communities at the antipodes, their development being so rapid. It is proper, however, to say that in population, wealth, trade, and social importance, Australia and New Zealand have made more rapid strides during the last ten or fifteen years than any other section of the globe. For example, *New South Wales* recently set on foot a system of assisted emigration from New York, in the belief that the country would benefit by the introduction of skilled labour from the United States. In 1876 it had 437 miles of railroad open for traffic; and 254 miles in course of construction then, are almost, if not entirely, completed now. Railroad construction cost the Government £7,831,781 to the close of 1875, or nearly \$40,000,000. Eight thousand and fourteen miles of telegraph were then in operation, costing the colony £212,255. A loan of four millions sterling has recently been negotiated in London by New South Wales for public works extension and colonization purposes, and this year it opens an International Exhibition at Sydney, at which the United States and European and Asiatic countries will be represented.

Victoria has long since ceased to promote immigration by State aid, having adopted a strictly protective policy. Its population, however, is nearly one million, and it is by far the most advanced and wealthy colony of the group. In 1875 it was operating 536 miles of railroad, of which seventeen miles belonged to a private company, but have since been bought by the Government; and 374 miles were then being built. These are well forward to completion, and a comprehensive plan of railroad extension has been projected, and the funds appropriated by Parliament. A Victorian public works loan was one of the financial operations of this summer in London. Up to December, 1875, the Victorian railroads cost £12,411,672 or \$62,000,000. At the same date there were 4,981 miles of telegraph in operation, owned by the Government, and 500 miles were being constructed. Since then telegraph extension has been steady. *Victoria* also appropriates about \$120,000 annually of its land revenue for railroad construction. An International Exhibition will open at Melbourne in 1880, the United States being represented.

South Australia operated 252 miles of Government railroad at the close of 1875, and authority had been granted to construct 214 additional miles. Four thousand miles of telegraph were open, and the Government in 1872 constructed an overland telegraph 2,000 miles across the Australian continent, connecting that country with the British Australian cable, and the world at large. *South Australia* has a free emigration bureau in Germany and Great Britain, and promotes colonization upon a liberal and progressive scale.

Tasmania, the island colony of the Australian group, has about 150 miles of railroad open and in course of construction; also 468 miles of telegraph; and a submarine cable to Australia, opened in 1869.

Queensland in 1875 had 4,609 miles of telegraph in operation; also 263 miles of railroad open, and 152 miles under construction. This colony has had a successful system of free immigration from Europe since its establishment in 1859.

New Zealand stands in the van of progress. It has expended (plus local, district, and municipal disbursements—a very large amount), during the last ten years, on

Railroad construction	...	...	...	£8,667,637
Harbours, lighthouses, roads, &c...	...	...	...	4,400,000
Immigration	...	...	...	3,500,000
Purchase of land from Natives	...	...	...	1,300,000
Suppression of Native rebellion	...	...	...	2,000,000
Being a total of	...	...	...	£19,867,637

or a trifle under \$100,000,000; and it proposes to spend the further sum of £8,350,000 (nearly \$43,000,000), according to the estimates approved by Parliament in 1878, in railroad construction during the next five years. From 1871 to 1876 inclusive, the New Zealand Government assisted 74,475 emigrants from Europe to the colony, and found them employment on public works prior to their absorption into the industrial population. Up to the close of 1878, not fewer than 90,000 immigrants had arrived, dating from 1870, wholly or in part at the charge of the Government. One thousand miles of railroad have been opened, and railroad construction is progressing; 3,500 miles of telegraph are in use, and a cable over 1,200 miles in length connects it with Australia and the telegraph system of the world. This cable was laid on a joint subsidy with the Sydney and other Australian Governments.

14. There is no population in the world so rich as that of Australasia, in which I include New Zealand. Official statistics show that the average annual income per head of the population of New Zealand is £117 (\$585); in Australia and Tasmania it is lower, but far in excess of the average earnings of the population in older communities. In round numbers, the population of Australasia may be set down at two and a-half millions, of which half a million may be credited to New Zealand, exclusive of aborigines. Next ten years will find it almost doubled, owing to the natural, social, and political attractions of these territories. Land is cheap, of boundless extent and fertility; the climate is genial; the colonies are governed by ministers responsible to popular chambers; and, above all, Australasia is too far removed from the Old World to be seriously affected by either war or revolution. The mineral wealth is vast, consisting of the precious metals, coal, copper, iron, tin, lead, chrome, &c. New South Wales exports large quantities of coal to California; tin is likewise sent thither. Auckland sends kauri gum to New York, a special product, used in manufactures. Wool and gold are, however, the chief exports; but Australian and New Zealand wheat is also quoted at Mark Lane.

15. The trade of the Australian continent and the Dominion of New Zealand (for such it practically is, dominating the Fiji and neighbouring archipelagoes in the South Pacific) is a legitimate prize to be contended for by Americans. I have already indicated the policy by which the British

Government is endeavouring to detach it from the United States; and leave Americans to consider whether it is worth an effort to defeat it. That it can be done I have no doubt. American commerce may be largely extended with Australia at comparatively trifling cost to this country. In the existing mail service between Europe and Australia, *via* San Francisco, there is the nucleus of the whole business. From this service as a base everything may be developed; and, as a former New Zealand colonist, who took an active part in establishing this postal route, I am naturally anxious that it should become the permanent commercial link, uniting the great branch of the Anglo-Saxon race upon the continent of America and the rising commonwealths of Australasia. New Zealand contains an area about equal to the British Isles, and Australia is as large as the United States minus its territories.

16. From the foregoing considerations, I respectfully submit—

(1) That the transit charge upon British enclosed mails to and from the Australian Colonies should be remitted altogether, or reduced to the amount actually paid the railroad companies for the same, as is done with Canada.

(2) That the colonies of New South Wales and New Zealand, by conveying the United States mail free, give a full and fair equivalent for the cost the United States Post Office is put to in conveying the colonial mails across the continent.

(3) That, as a question of public policy, looking to the extension of American trade with Australia and New Zealand, the transit charge on the colonial mails should be cancelled, irrespective of any service rendered the United States Post Office by those commonwealths.

(4) That the heavy subsidy paid to United States citizens by New South Wales and New Zealand for several years past for conveying their mails is proof of their discriminating friendship for the United States, and is equivalent to an annual bonus to American shipowners and manufacturers, and deserves the marked recognition of the Congress and Government.

(5) That, unless this concession, or an equivalent, be made, the Australian mail service *via* San Francisco and New York will eventually be abandoned, and with it those postal facilities and trading advantages which are now so valuable an auxiliary to American trade. American correspondence with Australasia would in that event be transmitted *via* Europe, and Australian travel would never visit this country. By fostering this postal service, which may be done at comparatively little or no cost to the United States, the wealth and trade of Australia and New Zealand may be largely diverted to this country, thereby neutralizing the far-sighted policy of the British Government in seeking to detach its Australasian dependencies commercially from the United States.

San Francisco, 19th July, 1879.

ROBERT J. CREIGHTON,
Resident Agent, New Zealand Government.

No. 19.

Mr. GRAY to Mr. CREIGHTON.

SIR,—

General Post Office, Wellington, 13th September, 1879.

I am directed to acknowledge receipt of your letter of the 4th ultimo, enclosing copy of a memorandum, on the subject of the transit rates on the English and Australian mails, addressed by you to the Hon. Mr. Money, Chairman of the Congressional Committee on Postal Affairs.

Owing to the impending general elections following on the recent dissolution of Parliament, Ministers have for some time past been absent from Wellington, and the Postmaster-General has therefore been unable to bestow that attention on your letter and memorandum which the importance of the matter at issue demands. He has, however, perused both documents, and is highly pleased with the forcible and energetic manner in which you have dealt with the subject under discussion, and entirely agrees with the views expressed by you.

The memorandum has been put in type, and twenty-five copies are forwarded you by the present mail for distribution in such official and public channels as you may see fit. I also forward a copy of the New Zealand Statistics for the years 1876 and 1877, together with such of the statistics for 1878, including the census returns, as are procurable up to date. I also send you a copy of an Exhibition Handbook of New Zealand, prepared by Dr. Hector for distribution at the Sydney Exhibition, which opens this month. The information afforded is very condensed, and, being up to the latest date, it may be of service to you in any further representations which you may desire to make to Congress.

With reference to the other suggestions contained in your letter—namely, the preparation of a draft treaty in prospect of the decision at which Congress may arrive in the matter of the transit rates, and your being empowered to act for this Government in the execution of such a treaty—I am to state that no steps can be taken by the present mail, the Postmaster-General having only returned yesterday from the South.

Your letter will, however, receive careful attention, and, should further action at this stage of the matter be considered desirable, you will again be communicated with.

R. J. Creighton, Esq., Resident Agent for New Zealand,
San Francisco.

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

No. 20.

Mr. CREIGHTON to Mr. GRAY.

SIR,—

San Francisco, 22nd December, 1879.

I have the honor to enclose copy of letter to the Hon. Mr. Money, Chairman of the House Postal Committee in Congress, covering printed memoranda. These include the memorandum of July,

1879, and a supplemental one which, for convenience, I had printed and attached here. My supplemental memorandum and the letter accompanying bring the subject-matter up to date.

I have written separate letters to the following: Whitelaw Reid, editor *New York Tribune*; Thomas Connery, editor *New York Herald*; John Riley, Chairman Pacific Mail Company; Colonel McClure, editor *Times*, Philadelphia; editor *Boston Advertiser*; Joseph Medill, editor *Chicago Tribune*; Brill and Co., engineers, Philadelphia; Baldwin Manufacturing Company, Philadelphia; J. Stevenson and Co., New York.

In each case I wrote a special letter, of which that to Mr. Money is the basis, varying each according to the special circumstances of the case. Several I wrote myself, others I dictated to an amanuensis, who also made copies of my memorandum of which I sent you the original. In the case of the newspapers, I made the point of American commerce, and the profit accruing from the Australian and New Zealand trade, as compared with the China, West Indian, Brazilian, and Mexican trade. I also urged the homogeneity of the races, the danger of stopping the travel from Australia, and the great inconvenience which would be caused by an interruption and detention in the present mail service.

I think, if I had been authorized to go to Washington this winter, that I could have had all the concession we wanted.

As you know, I have put myself to a great deal of inconvenience and labour in this matter, and I do not at all regret it, although it has interfered seriously with my private business without any advantage whatever.

W. Gray, Esq., Secretary, Post Office, Wellington.

I have, &c.,

ROBERT J. CREIGHTON.

Enclosure 1 in No. 20.

Mr. CREIGHTON to the Hon. M. DE SOTO MONEY.

SIR,—

San Francisco, 15th December, 1879.

I mail to your address fifty copies of my memorandum, which I would feel obliged if you caused to be distributed among Senators and Congressmen to the best advantage. I can forward more if you desire it.

You will find in my supplemental memorandum several important facts; and, that you may feel satisfied regarding my position in it, I forward you the draft contract between the Peninsular and Oriental Company and Victorian Government, with covering correspondence, issued by the Queen's Printers, London.

The last mail from the colonies brings Australian newspapers, in which it is taken for granted that the Pacific Mail Service will not be renewed, owing to the favourable terms upon which a fortnightly service *viâ* Suez and Brindisi has been arranged. The contract price, I understand, is £80,000 per annum.

The Imperial Government, with the view of strengthening the new service, has agreed to discontinue the despatch of a mail from Southampton.

All mails will in future be forwarded *viâ* Brindisi, which will give an advantage seven days either way in course of post. Formerly all correspondence, unless specially marked and paid for, went *viâ* Southampton. Money-orders, &c., invariably went by this route.

The British Postmaster-General has made another concession to the contracting Colony of Victoria, charging only 7d. per half-ounce letter *viâ* Brindisi, instead of 8d.; and I am informed by the Secretary of the New Zealand Post Office that it is probable that only 6d. will be charged, thereby placing it on a level with the Pacific service *viâ* San Francisco, on which the letter rate is also 6d. He also fears that, unless specially marked, English correspondence for New Zealand will be forwarded by the Brindisi route, thereby further scaling the colonial returns from postages.

You will readily perceive the drift of this policy. I have no hesitation in saying that the service will not be renewed after the expiration of the existing contract unless the United States makes some substantial concession as a set-off.

A three-months course of post, which would inevitably follow, would interrupt communication between the United States and Australia and New Zealand, and put a damper upon that growing trade. Inquiries at the San Francisco Post Office satisfy me that this would be a serious social as well as commercial drawback. On an average 10,000 letters for the Australian Colonies, originating in the United States and Canada, are mailed each month, of which not quite 1,200 are from Canada; and every mail from the colonies brings an almost corresponding number. The quantity of printed matter passing between the two countries is also very large.

It should be remembered that the interruption of this mail service would also seriously imperil the growing Hawaiian trade, of the value of which you yourself can judge.

I clip out and forward to you newspaper articles bearing upon this question.

In addition to the opposition of the Peninsular and Oriental Company, backed by the Imperial Government, I should mention that the Orient Company announces a fortnightly service to Australia, carrying mails at ship-letter rates, from and after 1st January, 1880. This Company is described in a newspaper article attached. The vessels run at a high rate of speed, the new ships being capable of making seventeen nautical miles an hour.

In conclusion, I would respectfully suggest that, should Congress take up this matter and consider it favourably, it should do so with the least possible delay. You will perceive that the Imperial Government does not contemplate charging anything extra for carriage of mails across Europe for the Brindisi route. The new arrangement begins in February, and therefore there is no time to lose. It would be sufficient, I imagine, for your Government to notify to the British Government that in future British enclosed mails to and from New Zealand and Australia, carried in American ships, or in foreign ships chartered by American contractors, would not be charged freight in crossing the territory of the United States.

Should it be necessary, a convention with New Zealand and New South Wales, jointly or severally, might be concluded.

I would esteem it a great favour if you would, at your earliest convenience, inform me what prospect there is of conserving the growing trade with Australasia by placing this mail service upon a permanent basis.

I have, &c.,

R. J. CREIGHTON,
Resident Agent, New Zealand.

Hon. M. De Soto Money.

Enclosure 2 in No. 20.

SUPPLEMENTAL MEMORANDUM.

SINCE the date of my memorandum of 19th July, 1879, I have been put in possession of several facts having an important bearing upon the questions therein discussed, which may be briefly stated:

1. The British Government has finally determined to charge 2d. (4 cents), in lieu of 1d. (2 cents) as heretofore, upon the outward correspondence to Australia and New Zealand, from and after 1st February, 1880. The financial result of this charge is stated in paragraphs 6 and 7 of my memorandum.

2. The British Government has approved a contract between the Colony of Victoria and the Peninsular and Oriental Steamship Company for a fortnightly service between England, Melbourne and Sydney, touching at King George's Sound and South Australia, commencing 1st February, 1880.

Sydney was not named in the above contract according to the draft agreement in my possession: the suggestion to this effect came from the Imperial Government, as disclosed by the printed correspondence. The contract was not ratified, however, until after Mr. Berry's return from London to Melbourne, and it was then apparently altered in compliance with the wishes of the Lords of the Treasury. The practical result is, that Sydney becomes the terminus of the line and has the benefit of a fortnightly mail service without New South Wales, of which Sydney is the capital, being called upon to contribute directly towards the subsidy. But New South Wales is a partner in the San Francisco mail contract with New Zealand; and it is not difficult to conceive how natural it will be for an impression to grow up there that the interest of the colony would be best served by abandoning the costly monthly service *via* San Francisco. It is clear that this is the policy of the Imperial Government, which naturally seeks to make the Australasian trade exclusively British. The fortnightly arrival and departure of the Peninsular and Oriental mail steamers, and the increased postal facilities thereby given, will naturally appeal to business men, and the consequence must be a growing dissatisfaction at the joint postal arrangement with New Zealand, and ultimate withdrawal from it.

These considerations, with others set forth at length in my memorandum of 19th July, I respectfully submit, should induce Congress to make the concession on British enclosed mails suggested therein. If these mails were carried across the continent free of charge, the British Government would have no pretext for making a demand upon that account which is calculated, if it be not so intended, to break down the Pacific Mail Service. This concession would insure the permanence of the service, because New Zealand alone would continue it should New South Wales withdraw.

I urge this concession for commercial reasons as well. The United States is now shipping agricultural machinery, tools, and implements to the Australian Colonies, and in time, should direct steam communication be kept up, American manufactures would supersede in a great measure the clumsy articles of English make. American locomotives and cars are going into use on the Australian and New Zealand railroads. To illustrate this I shall mention one fact: A gentleman wrote to me by last mail from Dunedin, a city in the southern part of New Zealand, that he had just opened street-railroads there with five single motors, one combined steam-car, and thirty cars all told, five of them being from J. Stevenson and Co., New York, one by Brill and Co., Philadelphia, one from Birmingham, and twenty-two from Leeds, England. The following extract from the *Otago Daily Times* has reference to these cars, and shows the estimation in which American workmanship is held there:—

“The combined steam-car ‘Washington,’ imported for the tramways by Mr. Proudfoot, underwent a trial yesterday. The car was fully loaded with passengers, and it surmounted the Princes Street grade of 1 in 17 without the slightest difficulty. It is anticipated that when in proper working order it will with ease pull two or three loaded cars behind it. The machinery of the engine and the woodwork of this combined car were constructed by the Baldwin Locomotive Company and Brill and Co., both of Philadelphia, respectively, and reflect great credit on those firms. The boiler is of the vertical type, and is of steel, with 8-inch cylinders. There is a beautiful centre-dome lamp, besides lights at each end; in fact, the car is so well supplied with lights that the smallest print can be read without difficulty. The whole of the workmanship is certainly a vast improvement on the English car. It is a novel, handsome, and compact piece of mechanism. The motion is exceedingly smooth, and the car can with its powerful brake-gear be stopped within its own length. We understand the Baldwin Company are supplying the New South Wales Government with cars and engines for the tramway that is being laid from Pitt Street, in Sydney, to the Exhibition.”

During 1878 New Zealand imported from the United States merchandise worth \$2,163,360, of which \$1,665,230 was from Atlantic ports, the balance being from the Pacific. The exports to the United States in 1878 were \$219,615. The imports from British ports, however, were \$26,665,850; exports, \$23,636,220. In the financial year ended 30th June, 1879, the United States exported to Australia and New Zealand domestic produce worth \$7,042,875, its imports from those countries being \$785,773, showing a balance in favour of the United States of \$6,257,102. The exports of domestic produce for the same period to China, inclusive of Hong Kong, amounted to \$1,111,921, while the imports from China represented \$18,298,921, leaving a heavy balance against the United States. These figures demonstrate the relative advantage of the Australian and New Zealand trade, which is in its infancy, over the China trade, which, by the establishment of a Chinese line of steamers, is destined to pass entirely out of American hands.

I respectfully submit therefore that it is of national importance to strengthen and maintain direct postal connection between England and her South Pacific dependencies *via* the United States. This may be accomplished by the remission of the freight charged upon British enclosed mails passing through the country, for which, as I have pointed out in my memorandum of 19th July, 1879, paragraph 8, the contracting colonies give a full equivalent.

San Francisco, 1st December, 1879.

ROBERT J. CREIGHTON,
Resident Agent, New Zealand Government.

No. 21.

Mr. GRAY to Mr. CREIGHTON.

SIR,—

General Post Office, Wellington, January 31st, 1880.

I am directed to acknowledge the receipt of your letter of the 22nd ultimo, enclosing copy of a letter which you had addressed to the Hon. Mr. Money, Chairman of the Congressional Postal Committee, on the subject of the present transit rates, and stating generally the further action which you had taken in the matter since the date of your former communication on the subject. Your letter has been submitted to the Hon. the Postmaster-General, who is of opinion that there is much truth in the statements made by you as to the unreasonableness of the present charges for the carriage of mails between San Francisco and New York, and that the high charges will make it a matter for serious consideration whether the San Francisco Mail Service can be maintained beyond the term of the present contract. I am to convey to you the thanks of the Postmaster-General for your endeavours to obtain a reduction in the transit charges, and to state that by next mail you will receive definite information as to the course which the Government would like you to pursue.

R. J. Creighton, Esq., Resident Agent for New Zealand,
San Francisco.

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

No. 22.

Mr. GRAY to Mr. CREIGHTON.

SIR,—

General Post Office, Wellington, 27th February, 1880.

The Postmaster-General has perused your letter to me of the 19th ultimo, received per "City of New York," and which I now beg to acknowledge.

I am to inform you that the several communications which have passed between yourself and this department on the subject of the charge now made for the transmission of the Australian and New Zealand mails across the continent of America, have been perused with great interest by the Postmaster-General. Mr. Hall gathers from the correspondence that you believe you would be able to obtain material concessions in respect of this charge if you possessed further authority to negotiate on the part of the New Zealand Post Office than is implied in your appointment as General Agent for this department in San Francisco.

As the question is one not only affecting the New Zealand Post Office, but also that of New South Wales, the Postmaster-General regrets it is not in his power to authorize you to enter into any agreement on the subject binding on the colonies; but Mr. Hall is satisfied that the Postmaster-General of New South Wales will concur with him in the desirability of such representations of the merits of the case being made by you in the proper quarters as may induce the railway companies to make a material reduction in their present rates of freight on New Zealand and Australian mails.

You are of course aware that the mail transit charges now borne by these colonies are paid in the first instance to the United States Post Office by that of Great Britain, which recoups itself by the retention of a portion of the postage collected in Great Britain on the correspondence for New South Wales and New Zealand. The reduction of the railway freight would not, therefore, result in a saving to these colonies, unless by arrangement with the Imperial and United States Post Offices; but, as the present transit rates are stated to be no more than are required to pay the actual cost of conveying the mails across America, the Postmaster-General does not doubt that New South Wales and New Zealand would benefit by any concession which might be obtained from the railway companies.

If the San Francisco Service is to be maintained permanently, a considerable diminution in this part of its cost is, in the opinion of the Postmaster-General, imperative. As you are already aware, the payments hitherto made to the colonies by the Imperial Government, in respect of ocean mail services maintained by the Australasian Colonies, have, from the 1st instant, been reduced one-fifth.

This reduction, it is true, affects the whole of the services established and maintained by the colonies but it is the very high charges exacted by the United States Post Office for the overland carriage of the Australian and New Zealand closed mails which have afforded the British Post Office a convenient pretext for retaining the increased proportion of the postage receipts on the correspondence *via* San Francisco.

The postage now retained by the British Post Office will probably cover the payments for transmitting our mails between Great Britain and San Francisco, while the colony's additional loss in respect of the San Francisco Service through this recent decision of the Home Government will amount to nearly £3,000 a year, or, in other words, the charge to the colony for maintaining the San Francisco Service will be further increased by the sum named. The colony cannot well afford this additional burden, and unless it is possible to effect a marked reduction in the transit charges, the Postmaster-General believes the Government will have to take into its consideration the question whether or not, on economical grounds, the colony would be warranted in continuing the San Francisco Service after the expiration of the existing contract.

New South Wales and New Zealand have much to contend against in maintaining the San Francisco Service, while those colonies which favour the competing mail lines *viâ* Suez have recently been placed in a much more advantageous position than hitherto. The contract recently entered into by the Government of Victoria with the Peninsular and Oriental Steam Navigation Company provides for a fortnightly service between London and Melbourne in forty days. The steamers proceed through the Suez Canal without, for the present, transshipping *en route*. Concurrently with the establishment of this fortnightly service, and at the invitation of the British Post Office, the circuitous Southampton line has been abandoned, and the whole of the Suez mails are now sent by the more expeditious route of Brindisi. Telegrams are published in the colonial papers stating that the Victorian Government has succeeded in inducing the Imperial Government (notwithstanding protests from New South Wales and New Zealand) to reduce the postage *viâ* Brindisi to the same rates as are levied on correspondence transmitted *viâ* San Francisco. If this be the case—and the Postmaster-General has no reason to doubt it—New Zealand will suffer a still further loss by a diminution of mail-matter forwarded in its mails *viâ* San Francisco.

In addition to this accelerated service *viâ* Suez, the steamers of the Orient Line now alternate weekly with those of the Peninsular and Oriental Company, and convey mails between Australia and London for the ordinary postage payments. By these changes the Australian Colonies secure at a comparatively small cost a weekly mail service with the United Kingdom by way of Suez and Brindisi, which it is obvious will prove a most formidable rival for the San Francisco Service. With a weekly post from Great Britain to the colonies by way of Brindisi, there will be a serious falling-off in the correspondence sent *viâ* San Francisco, and the colony's postal receipts on account of this line will be correspondingly diminished.

The above facts constitute, in the opinion of the Postmaster-General, strong reasons why it is desirable you should succeed in bringing your negotiations to a successful termination, and insure to the colonies interested in the San Francisco Service a very necessary reduction in the cost.

The Postmaster-General recognizes that you have taken great pains to place the case of the colonies exhaustively before the public in America, and to enlist the sympathies of those gentlemen who are likely to aid you in obtaining these very necessary concessions. The Postmaster-General cannot doubt that you will yet succeed.

In a former letter to me you stated that it might be desirable you should visit Washington and New York. If you are still of the opinion that a journey East would aid you in your negotiations, the Postmaster-General is prepared to authorize the payment of any reasonable sum which may be incurred by you to defray the cost of your journey to and from those cities.

R. J. Creighton, Esq., Resident Agent for New Zealand,
San Francisco.

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

No. 23.

The PRESIDENT, Pacific Mail Steamship Company, to Mr. GRAY.

Pacific Mail Steamship Company, Pier, Foot of Canal Street, N.R.,
New York, January 10th, 1880.

SIR,—

We have the honor to acknowledge the receipt of your letter* of the 5th December, 1879, enclosing copy of official time-table for the year 1880, which we note is the same schedule as that of 1879, which fact had been communicated to us by wire by our agents at Sydney, N.S.W.

By this same mail, however, we are in receipt of a telegram from the Hon. the Postmaster-General, dated 8th December, 1879, and forwarded by our Auckland agent, copy of which we enclose herewith.

The request to shorten the schedule time by three days from London to Sydney, in order to compare favourably with the new time-table of the Peninsular and Oriental steamers, is too important to be replied to definitely by this mail. We are also without any expression of the views of your Government on the matter, which we suppose, however, will come to hand shortly.

In the meanwhile we shall of course conform to the time-table as forwarded by your good self.

W. Gray, Esq., Secretary, Post Office Department,
Wellington, New Zealand.

I have, &c.,
JOHN RILEY,
President.

No. 24.

Mr. GRAY to the PRESIDENT, Pacific Mail Steamship Company.

SIR,—

General Post Office, Wellington, 28th February, 1880.

Until perusing your letter of the 10th ultimo, I was not aware that the Postmaster-General of New South Wales had preferred a request to your Company to shorten the time from London to Sydney. The Postmaster-General desires me to say that he is of opinion the request should have been made in the joint names of the Postmasters-General of New South Wales and New Zealand, and that all such like representations should be dealt with in a similar manner.

The Postmaster-General fully recognizes the desirableness of accelerating the service; and he was much gratified to receive by the "City of New York" a communication from your agents at San Francisco proposing, on behalf of the contractors, to reduce the time on the through journey from London to Auckland and Sydney by three days—indicating as the proposal did that your Company had given the question of how best the service might be accelerated, prompt and favourable consideration. The proposal has, of course, been accepted, and your agents advised by cablegram that the

* *Vide* No. 31 of F.—3, 1879.

earlier departure from San Francisco was sanctioned. I beg to enclose copy of the written reply sent Messrs. Williams, Dimond, and Co., from this office; and I am to express the hope that your Company may find it possible to give immediate effect to the proposal, now that it has been accepted by the contracting colonies.

By the last mail from Sydney a letter was received from the New South Wales Post Office enclosing copy of communication from Messrs. Gilchrist, Watt, and Co., covering copy of your vice-president's telegram to your San Francisco agents, requesting permission to send the "City of Pekin" or the "City of Tokio" for one voyage to the colonies, for the purpose of being surveyed, and, if necessary, accepted as a mail-boat in place of either the "City of Sydney" or "City of New York." I need scarcely inform you that the required permission was at once granted; and the approval has no doubt been telegraphed you by your Sydney agents. Might I suggest that valuable time would be saved were you to communicate with your agents at Auckland as well as at Sydney on any matters which have to be submitted for the immediate decision of the Postmasters-General? This is obvious, as by communicating with your Auckland agents it would be possible for a reply by cable to reach New York before the mail-steamer arrived in Sydney.

John Riley, Esq., President, Pacific Mail Steamship Company,
Pier, Foot of Canal Street, N.R., New York.

I have, &c.,

W. GRAY,
Secretary.

No. 25.

Messrs. WILLIAMS, DIMOND, and Co., to the SECRETARY, General Post Office, Wellington.

SIR,—

San Francisco, January 16th, 1880.

It being our great desire to render our performance of the mail service between San Francisco and the Colonies of New Zealand and Australia as satisfactory as possible to both Governments, and to offer the greatest facilities, speed, and comfort to our patrons, we have deemed it advisable to submit the under-mentioned points to the postal authorities of both colonies, with our offer, if our suggestions are favourably received, to carry out the proposed changes.

The object which we desire to accomplish, and which, if sanctioned by the Postal Departments, we regard as entirely practicable, is to shorten the through time about three days, or certainly two or two and one-half days, between London and the colonial ports.

Under our present schedule, which has been approved by your department, the mail-steamers sail from this port on every fourth Monday. The last of the English through mails has frequently arrived in San Francisco on Saturday night. By a recent change in the railroad route between this city and Sacramento City, the distance between those two points has been so much shortened as to change the hour of arrival in San Francisco to noon, instead of 6.30 p.m. as heretofore.

The plan by which we propose to reduce the through time as above stated is as follows: 1. To advertise at all points, so as to give due notice to travellers by our route, and thus obviate all possibility of subjecting individuals to disappointment, that the mail-steamers will sail from San Francisco on Saturday, or as soon as the English through mails reach this city. 2. To order our commanders to exert themselves diligently on the voyage, and, while at no time pressing their steamers beyond the point of strictest prudence, to endeavour, by availing themselves of every favouring circumstance, such as calm weather, smooth seas, and propitious winds, to gain one full day between San Francisco and the colonial ports.

In our opinion, the feasibility of this plan, and the saving thereby of the time above indicated, is beyond all doubt.

All that we ask from the Governments whose mail service it is our aim to improve is—(1) to consent to the change in the days of departure from San Francisco; (2) to allow us the same rate per hour for the hours saved on contract time as has been heretofore paid to our Company.

We would further request, if our proposition receives your approbation, that you telegraph the postal authorities in London, so far as may be in their power to ship the colonial mails by the swiftest steamers employed on the New York line, giving preference to such as arrive at New York on Saturday mornings. This will give us an additional guarantee that said mails will arrive in San Francisco at noon on Saturdays, and enable us to get them on board and sail the steamers two days in advance of our present schedule.

If the conditions herein indicated meet your acquiescence, you will please cable to us the word "Sanctioned;" on reception of which we will proceed without further delay to execute our plans with the greatest energy, and do everything in our power to cause them to result beneficially and satisfactorily to your department and to the advancement of the interests of the people of the colonies.

We have, &c.,

W. Gray, Esq., Secretary, General Post Office,
Wellington, New Zealand.

WILLIAMS, DIMOND, AND Co.,
General Agents.

No. 26.

The Hon. Mr. HALL to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, February 14th, 1880.

HAVE received important proposal from Pacific Mail Company to shorten the journey between London and colonies by three days. Company propose to depart Frisco on Saturday instead of Monday, and gain a full day on the voyage to Auckland and Sydney. They wish our consent to the early departure from Frisco; and the pecuniary consideration stipulated for is, in the words of the contractors themselves, "to allow us the same rate per hour for the hours saved on contract time as has been heretofore paid to our Company." I presume the extra payment required is only on the saving to be

effected in the contract time between Frisco and Sydney. You will no doubt receive similar letter by "City of New York." I should be glad if you would favour me on Monday with your views on proposal. Contractors urge for reply by cable, as they are anxious to commence the accelerated service at once, provided proposal accepted by our Governments.

The Hon. the Postmaster-General, Sydney.

JOHN HALL.

No. 27.

The Hon. SAUL SAMUEL to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 16th February, 1880.

PACIFIC Company's letter and your telegram received. Proposal not quite clear as to whether remuneration asked for is for one or three days. Under the contract they are entitled to payment for any time gained between Frisco and Sydney. Therefore think they must intend something more for time saved between London and Sydney. Time of departure from Frisco should at once be altered from Monday to Saturday, thus saving two days for which no bonus can be claimed. Shall be glad to learn your views. Pending receipt of clearer statement of Contractors' expectations as regards remuneration, I think the following telegram might be sent to them: "Sanctioned, provided Governments only pay for time gained between Frisco and Sydney."

The Hon. the Postmaster-General, Wellington.

SAUL SAMUEL.

No. 28.

The Hon. Mr. HALL to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, February 17th, 1880.

CONCUR in proposed telegram; also that departure from Frisco should at once be made Saturday, instead of Monday. Will you take the necessary steps for this purpose? Also send joint telegram to Agents-General informing them of change, pointing out necessity for mails from London invariably reaching New York not later than Saturday, and asking them to communicate accordingly with Imperial Post Office. I am decidedly of opinion that Contractors should only be paid extra for time saved between Frisco and Sydney.

The Hon. the Postmaster-General, Sydney.

JOHN HALL.

No. 29.

Mr. GRAY to Messrs. WILLIAMS, DIMOND, and Co.

GENTLEMEN,—

General Post Office, Wellington, 28th February, 1880.

I have the honor, by direction of the Postmaster-General, to acknowledge receipt of your letter of the 16th ultimo, in which you propose, in the event of the contracting Governments consenting to an earlier departure of your steamer from San Francisco, to shorten the time between London and the colonies by three days—namely, by despatching your steamer from San Francisco on Saturday instead of Monday, and by gaining a full day on the voyage to Auckland and Sydney.

The Postmaster-General is exceedingly gratified to receive so tangible a proof of the desire of the Contractors, as expressed in your letter, to accelerate the San Francisco Service; and, in conjunction with the Postmaster-General of New South Wales, readily acquiesced in your proposal. The necessary telegram was at once forwarded you by the Postmaster-General of New South Wales, intimating that the two Governments sanctioned the earlier departure from San Francisco.

A telegram was also sent the Agents-General in London informing them of your proposal and its acceptance, and requesting that the Imperial Post Office authorities be moved to forward the New Zealand and Australian mails by the swiftest steamers, giving preference to those which arrive at New York on Saturday mornings.

I forward you copies of telegrams exchanged between the Postmaster-General of New South Wales and this colony in connection with the proposal now under review. You will observe that there is a doubt expressed whether or not the earlier departure from San Francisco involved an extra payment.

The telegram to you was worded, "Sanctioned, provide Governments only pay for time gained between San Francisco and Sydney," to show that, while there was an uncertainty as to the pecuniary effect of your proposal, the Postmasters-General were decidedly of opinion that payment should not be made in respect of the earlier departure from San Francisco.

The Postmaster-General is of opinion that the proposed shortening of the journey between London and the colonies by three days can be successfully accomplished under your proposal. By the last mail from San Francisco the department has been advised that the journey between Omaha and your city has recently been reduced by eighteen hours. If a corresponding saving is effected on the through journey from New York to San Francisco, there seems little doubt that the final portion of the London mails should reach your city on Saturday, even supposing the Atlantic steamer did not reach New York earlier than Sunday morning, but prior to the departure of the train for San Francisco. The possibility of gaining a full day on the voyage to Auckland and Sydney seems beyond question, as the steamers at present generally reach Auckland a day in advance of the due date of arrival.

I am to state that the Postmaster-General trusts that, after experience has been gained of the working of the proposed accelerated service, the Contractors may be encouraged to make other proposals for still further shortening the time between San Francisco and the colonies.

Messrs. Williams, Dimond, and Co., General Agents,
Pacific Mail Steamship Company, San Francisco.

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

No. 30.

Mr. DALGARNO to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 25th February, 1880.

Adverting to the telegrams of the Postmaster-General of New Zealand of the 14th and 17th instant, and to Mr. Samuels's of the 16th idem, with reference to the letter of Messrs. Dimond and Co. of the 16th ultimo, suggesting the alteration of the days for leaving San Francisco for the ports of New Zealand and this colony from Mondays to Saturdays, with the hope of gaining thereby three days in time of transit of the mails, I am directed to forward herewith for your further information copies of the letters forwarded to the principal Under-Secretary of this colony, and to Messrs. Gilchrist, Watt, and Co., agents for the Pacific Mail Steamship Company, on the 18th instant, upon that subject.

The necessary action has been taken in the matter by Messrs. Gilchrist, Watt, and Co. to have the arrangement carried out without delay.

The cost of the telegram to the Agents-General will be paid, in the first instance, by this colony, one-half thereof being charged to your account.

I have, &c.,
J. DALGARNO,
(for the Secretary.)

The Secretary, General Post Office, Wellington.

Enclosure 1 in No. 30.

Mr. DALGARNO to the PRINCIPAL UNDER-SECRETARY, Sydney.

SIR,—

General Post Office, Sydney, 18th February, 1880.

I am directed to request that you will be so good as to move the Colonial Secretary to cause the following telegram to be sent to the Agents-General for New South Wales and New Zealand—namely: "Change departure mail from Frisco to Saturdays, instead Mondays. Inform New York and San Francisco, and urge London to send by fast packets, so as to reach New York on Saturday mornings. New Zealand concurs."

By the next mail it would be advisable to forward, for the fuller information of the Agent-General, in regard to the foregoing telegram, the enclosed copies of correspondence, including letter dated 16th January, 1880, from Messrs. Dimond and Co., and telegrams that have passed between the Postmasters-General of this colony and New Zealand on the subject.

I have, &c.,
JAS. DALGARNO,
(for the Secretary.)

The Principal Under-Secretary, Sydney.

Enclosure 2 in No. 30.

Mr. DALGARNO to Messrs. GILCHRIST, WATT, and Co., Sydney.

GENTLEMEN,—

General Post Office, Sydney, 18th February, 1880.

I am directed to acknowledge receipt of the letter from Messrs. Dimond and Co., addressed to the Postmaster-General, dated January 16th, which was handed to him by you, representing that by changing the time of departure of the mail-steamer from San Francisco to the colonial ports from Monday to Saturday, and by shortening the time of the passage from San Francisco to Sydney, it was possible to gain three days in the transit of mails from London to Sydney; and requesting, in order to give practical effect to this acceleration, that the Governments whose mail services are concerned should intimate their willingness, first, to consent to the change in the days of departure from San Francisco from Monday to Saturday; and, second, to allow the Pacific Mail Steamship Company the same rate per hour for the hours saved on contract time as has been heretofore paid to the Company. In reply, I am directed to inform you that Mr. Samuel has consulted the Postmaster-General of New Zealand on the subject, and they concur in authorizing you to forward a reply to Messrs. Dimond and Co. in the following terms: "Sanctioned. Governments only pay for time gained between Frisco and Sydney."

I have to add that the necessary official instructions will be given by telegram to the Agents-General at London to urge upon the English postal authorities the forwarding of the mails for these colonies by the swiftest steamers from London to New York, so as to arrive at the latter port, if possible, on Saturday mornings; and also informing them of the intention to change the day of departure from San Francisco from Monday to Saturday.

I have, &c.,
JAS. DALGARNO,
(for the Secretary.)

Messrs. Gilchrist, Watt, and Co., Sydney.

No. 31.

The Hon. Sir HENRY PARKES to the COLONIAL SECRETARY, Wellington.

(Telegram.)

Sydney, 25th February, 1880.

RECEIVED following telegram, dated 24th, from Agent-General: "Pacific Company have consented to start mail steamer from Frisco Saturday, 10th April, and am arranging for it to leave here Tuesday, 23rd March. Inform New Zealand.

The Colonial Secretary, Wellington.

HY. PARKES.

No. 32.

The Hon. JOHN HALL to the Hon. Sir HENRY PARKES.

(Telegram.)

Wellington, 27th February, 1880.

ACCELERATED Frisco Service. It seems probable the Agent-General is under some misapprehension, as, from the recent correspondence with the Pacific Company, we understood that the earlier despatch from Frisco was to be accomplished, not by an earlier departure from London, but by an acceleration on the American railways and an avoidance of the loss of time which has hitherto taken place at Frisco. This is certainly what the New South Wales Post Office agreed with me were the facts of the case. Tuesday's departure from London, and Saturday's departure from Frisco, is no acceleration at all.

Sir Henry Parkes, Colonial Secretary, Sydney.

JOHN HALL.

No. 33.

The Hon. Sir HENRY PARKES to the Hon. the COLONIAL SECRETARY, Wellington.

(Telegram.)

Sydney, 2nd March, 1880.

I SENT the following telegram to Agent-General on 26th ultimo: "Do not alter day departure from London; only change day from Frisco. Merely urge London to send by first steamer."

The Colonial Secretary, Wellington.

HENRY PARKES,
Colonial Secretary.

No. 34.

Mr. GRAY to the AGENT-GENERAL, London.

General Post Office, Wellington, 28th February, 1880.

SIR,—

I beg to forward you copy of a communication received from the Pacific Mail Steamship Company, in which it is proposed to shorten the time between London and Auckland and Sydney by three days. Permission to leave San Francisco on Saturday instead of Monday has been granted; and I learn from the telegram sent to the Colonial Secretary, Sydney, by the Agent-General for New South Wales (copy enclosed, together with my reply), that the Pacific Company commence the accelerated service on the 10th April next from San Francisco.

I also enclose for your information copies of telegrams exchanged between the Postmaster-General of New South Wales and myself.

Sir Julius Vogel, K.C.M.G., Agent-General for
New Zealand, London.I have, &c.,
W. GRAY,
(for the Postmaster-General.)

No. 35.

Mr. GRAY to Mr. CREIGHTON.

General Post Office, Wellington, 28th February, 1880.

SIR,—

I have to forward for your information the enclosed correspondence relating to a proposal made by the Pacific Mail Steamship Company, and accepted by the Postmasters-General of New South Wales and New Zealand, for shortening the time between London and Auckland and Sydney by three days.

The contractors have been informed by cable that the Saturday's departure from San Francisco has been sanctioned; and I hope it may be possible for the accelerated service to commence with the despatch of the steamer from San Francisco on Saturday, 10th April next.

In the event of the mails not reaching San Francisco in time to permit the steamer sailing on Saturday, arrangements should be made to despatch the steamer immediately the mails are received and shipped.

R. J. Creighton, Esq., Resident Agent for New Zealand,
San Francisco.I have, &c.,
W. GRAY,
Secretary.

[For enclosures see previous papers.]

No. 36.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—
7, Westminster Chambers, London, S.W., February 25th, 1880.
I have the honor to inform you that on the 18th instant I received the telegram (copy attached) from the Chief Secretary of New South Wales. I placed myself in communication with Sir Daniel Cooper, the Acting Agent-General for New South Wales. We sent in to the Post Office to ascertain if we could rely on the use of fast steamers if the mails closed on Tuesday instead of Thursday. Having ascertained that we could, we sent a telegram* (copy attached) to the Pacific Company, New York. I attach also copy of their reply, and copy of a telegram despatched to Sydney, with instructions to inform New Zealand. I also attach copy of a joint letter to the Post Office, which we despatched after receiving the telegram just referred to.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 36.

Sir DANIEL COOPER and Sir JULIUS VOGEL to PACIFIC MAIL STEAMSHIP COMPANY, New York.
(Telegram.) London, February 20th, 1880.
SYDNEY and New Zealand Governments wish your steamers to leave Frisco with mails on Saturdays instead of Mondays. The London mail to leave on Tuesdays instead of Thursdays. Can you arrange this—say for March mail to leave here 23rd and Frisco 10th April? Reply to Cooper, London.
DANIEL COOPER.
JULIUS VOGEL.
Pacific Mail Steamship Company, New York.

Enclosure 2 in No. 36.

PACIFIC MAIL COMPANY to Sir DANIEL COOPER.
(Telegram.) New York, February 23rd, 1880.
YES, commencing "Australia," April 10th. Will sail Australian steamers Frisco Saturday instead Monday, or on arrival London mail. Please inform our London agents.
Sir Daniel Cooper, London. PACIFIC MAIL COMPANY.

Enclosure 3 in No. 36.

Sir DANIEL COOPER to COLONIAL SECRETARY, Sydney.
(Telegram.) London, 24th February, 1880.
PACIFIC Company have consented start mail-steamer from Frisco Saturday, 10th April, and am arranging for it to leave here Tuesday, 23rd March. Inform New Zealand.
Colonial Secretary, Sydney. DANIEL COOPER.

Enclosure 4 in No. 36.

The AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND to the POSTMASTER-GENERAL,
London.
7, Westminster Chambers, London, S.W., 25th February, 1880.
SIR,—
We have the honor to inform you that, in accordance with what passed at the interview between Mr. Yardley and Mr. Page on the 19th instant, we have now arranged for the mail-steamer from San Francisco to be despatched on Saturday, the 10th April, and every four weeks thereafter. The mails will therefore have to be made up on Tuesday evening, the 23rd proximo, and every fourth Tuesday thereafter. We shall be glad if you will give the utmost publicity to this arrangement. We append copy of telegram authorizing us to make the alteration, as also one accepting the change from the Contractors for the mail service.
We have, &c.,
DANIEL COOPER,
Agent-General for New South Wales.
JULIUS VOGEL,
Agent-General for New Zealand.
The Right Hon. the Postmaster-General,
London.

No. 37.

The Hon. Mr. DICK to the AGENT-GENERAL.

SIR,—
General Post Office, Wellington, 22nd May, 1880.
I have the honor to acknowledge the receipt of your letter of the 25th February, and the several enclosures thereto, reporting the action taken by Sir D. Cooper and yourself on receipt of the telegram of the 18th February last from the Chief Secretary, New South Wales, intimating that the day of the departure of the outward English mails from San Francisco was to be altered from Monday to Saturday; and that the despatch from Liverpool should be by fast packets, in order to insure arrival at New York on Saturday mornings.

* Vide Enclosure 1 in No. 30 of present series.

Sir Daniel Cooper's telegram of the 24th February, which was communicated to this department, inferred an evident misapprehension of the instructions intended to be conveyed the Agents-General. There was no desire for an alteration in the day of despatch from London, and Sir Henry Parkes's telegram* of the 26th February to Sir D. Cooper, of which I enclose a copy, would have explained what was actually required. A copy of the previous correspondence on this subject was forwarded with my letter of the 28th February last.

Sir Julius Vogel, K.C.M.G.,
Agent-General, London, for New Zealand.

I have, &c.,
THOMAS DICK,
(for the Postmaster-General).

No. 38.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 10th March, 1880.

I have the honor to enclose herewith copy of a telegram received by Sir Daniel Cooper, Acting Agent for New South Wales, from the Chief Secretary, Sydney, relating to the departure of mails from London for the San Francisco Service, and of the correspondence which has ensued on the subject.

I have, &c.,
JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 38.

The AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND to the Hon. the POSTMASTER-GENERAL, London.

SIR,—

3, Westminster Chambers, London, S.W., 1st March, 1880.

Referring to our letter of the 25th ultimo, we have the honor to inform you that we have received a telegram from the Hon. the Chief Secretary, Sydney, of which the enclosed is a copy. Will you therefore be good enough to leave the date for closing the San Francisco mail in London undisturbed.

We have arranged with the Pacific Mail Steamship Company of New York to alter the day of departure from San Francisco from Mondays to Saturdays, and are in communication with the Postmaster at New York, urging him to accelerate the mails across to San Francisco.

You will notice that the telegram says, "Urge London to send by fast steamer." We understand that the mails are forwarded by your department in the fastest packets, and that no shorter period of transit across the Atlantic can be expected.

We have, &c.,
DANIEL COOPER,
Agent-General for New South Wales.
JULIUS VOGEL,
Agent-General for New Zealand.

The Right Hon. the Postmaster-General,
General Post Office, St. Martin's-le-Grand, E.C.

Enclosure 2 in No. 38.

The AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND to the PACIFIC MAIL COMPANY, New York.

GENTLEMEN,—

3, Westminster Chambers, London, S.W., 1st March, 1880.

We have to thank you for your telegram of the 22nd ultimo, informing us that you will arrange to alter the day of departure for the mails for Australia from San Francisco from Mondays to Saturdays, and that the change will commence on Saturday, the 10th April. We have duly informed your London agents of this alteration.

Since the despatch of our telegram to you of the 20th ultimo, we have received a message from the Government at Sydney, directing us "not to alter the day of departure from London; only change day from Frisco. Merely urge London to send by fast steamer." As the mails are sent across the Atlantic in the fastest steamers, we cannot look for any saving of time in that part of the journey: we have therefore drawn the attention of the Postmaster at New York to the wish of our respective Governments, and have requested him to accelerate the transit as much as possible from New York to San Francisco.

There being no alteration in the date of the departure of the mails from London, it is feared they may occasionally not reach San Francisco in time for despatch on Saturdays, in which case you will sail the steamers as suggested in your telegram, on the arrival of the London mail.

We have, &c.,
DANIEL COOPER,
Agent-General for New South Wales.
JULIUS VOGEL,
Agent-General for New Zealand.

The Pacific Mail Company, New York.

Enclosure 3 in No. 38.

The AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND to the POSTMASTER, New York.

SIR,—

3, Westminster Chambers, London, S.W., 1st March, 1880.

We have the honor to inform you that we have received instructions by telegram from our respective Governments to change the day of departure of the Australian mails from San Francisco from Mondays to Saturdays, and to urge the London Post Office to send by fast packets, so as to reach New York on Saturday mornings.

The Pacific Mail Steamship Company have agreed to the change proposed, and the alteration will commence with the mail of the 10th April next, from San Francisco.

There will be no alteration in the day of departure from London, and as the mails are sent by the fastest steamer, it is presumed that no saving can be looked for in this direction. We have therefore to ask you to be so good as to accelerate as much as possible the transit of the mails from New York to San Francisco, in order that the desire of the colonial Governments may be complied with as nearly as practicable.

We have, &c.,

DANIEL COOPER,
Agent-General for New South Wales.

JULIUS VOGEL,
Agent-General for New Zealand.

The Postmaster, New York.

Enclosure 4 in No. 38.

Mr. PAGE to Sir DANIEL COOPER, Bart.

SIR,—

General Post Office, London, 3rd March, 1880.

I am directed by the Postmaster-General to acknowledge the receipt of a letter signed by yourself and the Agent-General for New Zealand, and dated the 1st instant, stating that, in consequence of a telegram which you have received from the Chief Secretary, Sydney, you are desirous that no effect should be given to the request made in your previous letter, dated the 25th ultimo, for an earlier despatch from London by two days of the mails for New South Wales and New Zealand, forwarded *via* San Francisco.

The days of despatch will therefore be continued as at present.

I am to add that you are quite right in assuming that these mails are already carried across the Atlantic by the fastest steamers on the line between Queenstown and New York.

I have, &c.,

WM. JAS. PAGE.

Sir Daniel Cooper.

No. 39.

The Hon. Mr. DICK to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 22nd May, 1880.

I have the honor to acknowledge the receipt of your letter of the 18th March last, enclosing copy of a telegram received by Sir Daniel Cooper, Acting Agent-General for New South Wales, from the Chief Secretary, Sydney, relating to the departure of mails from London for San Francisco, and of the correspondence which had ensued on the subject.

The Postmaster-General is much pleased with the action taken by you in this matter.

I have, &c.,

THOMAS DICK,
(for the Postmaster-General).

Sir Julius Vogel, K.C.M.G.,
Agent-General for New Zealand, London.

No. 40.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 18th March, 1880.

I have the honor to transmit herewith, for your information, copy of a joint letter by Sir Daniel Cooper and myself, addressed to the White Star Line Company and to the Inman Steamship Company, on the subject of the earlier despatch of the mails from San Francisco.

I also enclose copy of a reply received from Messrs. Ismay, Imrie, and Co., and of one from the Inman Steamship Company.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 40.

The AGENTS-GENERAL to the WHITE STAR LINE COMPANY.

GENTLEMEN,—

3, Westminster Chambers, Victoria Street, S.W., 11th March, 1880.

We have the honor to acquaint you that our respective Governments have given instructions that the mails for New South Wales and New Zealand, which are now despatched from San Francisco on Mondays, shall in future be sent from port on Saturdays.

The Pacific Mail Steamship Company of New York has consented to change the day of sailing from Monday to Saturday, or to start the steamer so soon as the London mail arrives; and we now draw your attention to the earlier departure from San Francisco, and would ask you to be good enough to accelerate the mails, if it be possible, forwarded in your steamers across the Atlantic, so as to meet the desire of the colonial Governments, and make the western compare favourably with the eastern route to Australasia.

We do not, of course, suppose that you will accelerate the speed of your steamers; but there may be occasions when, by the exercise of a little despatch in landing the mails, or seeing them forwarded to the railway-station, a whole day might be saved. If the captains would make it a rule to endeavour to get the mail-bags to the railway in time for the train starting west on Saturday afternoon, they would be doing a great service.

We have, &c.,

DANIEL COOPER,
Agent-General for New South Wales.

JULIUS VOGEL,
Agent-General for New Zealand.

The White Star Line Company,
34, Leadenhall Street, London, E.C.

Enclosure 2 in No. 40.

Messrs. ISMAY, IMRIE, and Co. to the AGENTS-GENERAL.

White Star Line, Liverpool, 17th March, 1880.

GENTLEMEN,—

Australian and New Zealand Mails.

We are in possession of your favour informing us that the above mails will in future be despatched from San Francisco on Saturday instead of Monday.

We are most wishful to do all we can to facilitate their safe and speedy transit across the Atlantic, and it is an imperative rule that all mails conveyed by the White Star steamers are delivered to the Post Office *immediately on arrival* at New York. In fact, they receive primary attention, and are sent ashore by special tender in charge of responsible officers, whose duty it is to see that no delay occurs in delivering them to the American Post Office authorities, upon whom the duty of subsequent despatch devolves.

We have, &c.,

The Agents-General for New South Wales and New Zealand,
3, Westminster Chambers, London, S.W.

ISMAY, IMRIE, AND Co.

Enclosure 3 in No. 40.

The INMAN STEAMSHIP COMPANY (LIMITED) to the AGENTS-GENERAL.

Inman Steamship Company (Limited),

GENTLEMEN,—

Tower Buildings, Water Street, Liverpool, 18th March, 1880.

We have the honor to acknowledge the receipt of your letter of the 11th instant, and regret that excessive pressure of business has prevented our replying to it sooner.

With regard to the subject of it, we have pleasure in stating that the Australian and New Zealand mails, up to within the last two or three years, that went *via* New York and San Francisco, were despatched from Liverpool by the Cunard steamer on Tuesday, but that Her Majesty's Postmaster-General, finding that the speed of the Thursday mail-boats was such that they delivered their mails in New York about the same time as the above-mentioned Tuesday boats, changed the date of departure of this mail to the Thursday.

With regard to the speed of the steamers of the White Star Line and this Company, that now carry these mails, as they are driven at as high a rate of speed as is prudent, it will be impossible to accelerate the mails across the Atlantic between this and New York.

With regard to the quickest delivery possible on arrival at New York, we beg to state that this Company has always made it a rule to have a tender waiting under steam from the time the steamer is expected at New York; so that, on her being signalled off the port, the tender immediately goes down New York Harbour and meets her at the anchorage-ground. Every despatch is shown in delivering the mails at the New York Post Office; and, as quick time is desirable both for passengers and mails, we have only to assure you that nothing will be left undone to give at all times the greatest possible despatch to the Australian and New Zealand mail, which is, as you say, a very important one.

We have, &c.,

The Agents-General for New South Wales and New Zealand,
3, Westminster Chambers, London, S.W.

WILLIAM INMAN.

No. 41.

The Hon. Mr. DICK to the AGENT-GENERAL.

SIR,—

General Post Office, Wellington, 22nd May, 1880.

I have the honor to acknowledge the receipt of your communication of the 18th March, forwarding copy of a joint letter addressed by Sir Daniel Cooper and yourself to the White Star Line Company, also to the Inman Steamship Company, on the subject of the earlier departure of the mails from San Francisco; also copies of the replies received from the respective companies.

I have, &c.,

Sir Julius Vogel, K.C.M.G.,
Agent-General for New Zealand, London.

THOMAS DICK,
(for the Postmaster-General.)

No. 42.

The PACIFIC MAIL STEAMSHIP COMPANY to the Hon. the POSTMASTER-GENERAL.

Pacific Mail Steamship Company, Pier, foot of Canal Street,
New York, 1st April, 1880.

SIR,—

I have the honor to acknowledge the receipt of Mr. Gray's letter of the 28th February, 1880, with stated enclosure. Contents of same, and of the correspondence with our San Francisco agents, have had our careful attention.

I am glad to learn that the improvement we propose to effect in the schedule time between London and Sydney meets with your approval and that of the Hon. the Postmaster-General of New South Wales; and we hope to put same into practical effect by the despatch of the bearer on Saturday, 10th instant, from San Francisco.

We have received a communication from the Agents-General of the colonies at London, in which they advise that the London mail will be despatched thence by the Thursday steamer as hitherto, and they express some doubts as to whether the mails will reach San Francisco in time to leave there on Saturdays, in which we confess we concur for the present season of the year; but we do not doubt that later it can and will be done, and that we can also make a saving of one day between San Francisco and Sydney.

This latter saving (*i.e.*, between San Francisco and the colonies) is all that we expect or could ask to be paid a bonus for; but we shall of course do all in our power to induce the Post Office autho-

rities here and the overland railroads to give all possible despatch between New York and San Francisco.

The time between these two points has been shortened six, and not eighteen hours, as you are misinformed; but we are in hopes that the Union Pacific Railroad Company will follow the good example of the Central Pacific Railroad Company and give us a saving of at least six hours between Omaha and Ogden, which will much facilitate our efforts to meet the views of the Hon. the Postmasters-General.

The request for the increased despatch we understood to have emanated equally from your good self with the Hon. the Postmaster-General of New South Wales; and we certainly recognize the propriety of consulting the Post Office Department at Wellington on all matters of like importance, and shall bear your wishes in this regard in mind for future guidance.

Referring to the permission of the colonial Governments to employ the "City of Pekin" and "City of Tokio" on the Australian route, we beg to express our appreciation of the prompt and favourable response of the Postmasters-General to our request.

Since writing same we have received a proposition from the overland railroads to sell to them said vessels, and have given them an option which expires on the 1st of June next.

In event of this bargain not being carried out, we may desire to utilize the said ships in the Australian service, and again thank you for your consent thereto.

Fire on "City of Sydney."

Our San Francisco agents have written us that they have requested the Hon. the Postmasters-General to remit any fines that may accrue on the present voyage of the "City of Sydney" outward for delay beyond her contract time in the delivery of her outward mails. In view of the peculiar circumstances attending this delay, which were entirely beyond our control, we beg that the petition of our agents may find favour at the hands of yourself and the Postmaster-General of New South Wales, and that it may be found proper by your good selves to exercise the discretion allowed by the terms of the contract in our favour.

Commending this matter to your favourable consideration,

I have, &c.,

JOHN RILEY,
President.

The Hon. the Postmaster-General, Wellington.

No. 43.

Mr. GRAY to the PRESIDENT, Pacific Mail Steamship Company.

SIR,—

General Post Office, Wellington, 22nd May, 1880.

I am directed to acknowledge the receipt of your communication of the 1st April ultimo in reply to mine of the 28th* February last, with reference to the arrangements recently concluded for acceleration of the period occupied in the transit of mails between the United Kingdom and the colony.

Notwithstanding the unfortunate delay in arrival of the mails at San Francisco last month, which prevented the "Australia" sailing on the Saturday, the Postmaster-General still hopes that it will be found practicable to effect the saving of three days on the through journey as a general rule, and he is satisfied that you are doing all in your power to carry out your undertaking successfully.

I have, &c.,

W. GRAY,
Secretary.

The President, Pacific Mail Steamship Company,
Pier, foot of Canal Street, N.R., New York.

No. 44.

Mr. CREIGHTON to Mr. GRAY.

SIR,—

San Francisco, 6th April, 1880.

I have the honor to acknowledge the receipt of your letter of 28th† February last, covering copy of letter from Messrs. Williams, Dimond, and Co., containing a proposal from them, on account of the contractors, for shortening the time between London and Auckland and Sydney by three days, and intimating that the change therein suggested had been accepted by the Postmasters-General of New South Wales and New Zealand.

Unfortunately for the project the present mail, which had been advertised to sail 10th of April, cannot be despatched until Monday, owing to the non-arrival of the mail from New York. This contingency, of course, could not be foreseen; but at this season of the year it is always pretty safe to anticipate detention of the mail *en route* to San Francisco, either on the Atlantic passage or overland. Although the winter has been unusually severe in the Sierras, there has been no snow blockade, the delays being caused by tedious Atlantic passages.

The steamer will be despatched promptly after the receipt of the mail.

I do not think that more than thirty hours, at the utmost, can be "saved" on the passage from London to the terminal points in the colonies unless the railroads run fast trains. This they would do were they paid extra by the United States postal authorities, but there is not the slightest chance of this being done. The steamship companies may make a saving of twenty-four hours at sea by steaming up to the capacity of the vessels, but I think a close inspection of their logs and a comparison of last year's consumption of coal would show that they are doing that already. Of course, I do not wish to discourage the idea that better time may not be made. I hope it may, and I am sure it is the desire of the contractors; but you will be better able to judge by the performance of the "City of Sydney" on the present trip.

When the Southern Pacific Railroad Company connects its road with the Texas Pacific somewhere in New Mexico, an alternative line to New York and a direct line to the Gulf ports will be open. The distance between San Francisco to New Orleans will be 600 miles shorter than to New York; and, as this route will always be open to travel, it may in time be adopted for the transit of the British and

* *Vide* No. 24 of present series.

† *Vide* No. 35 of present series.

Australasian mails. I think the connection will be made this year ; but a much shorter line is being constructed from Topeka, in Kansas, *via* Santa Fe, New Mexico, to the port of Guyamas, on the Gulf of Mexico. It runs through the State of Sonora, in Mexico, and would shorten the sea voyage and overland transportation very considerably, besides opening a new and interesting country to colonial trade. These roads will be completed long before the expiration of the existing mail contract.

I mention these points because they may have a material bearing upon the postal question in relation to transit charges. At present there is but one road across the continent ; a twelvemonth hence there may be three, certainly there will be two, which will disturb the existing monopoly, and lead to more rapid transit if not to cheaper rates.

W. Gray, Esq., Secretary,
Post Office, New Zealand.

I have, &c.,
ROBT. J. CREIGHTON,
Agent, New Zealand Government.

No. 45.

Messrs. WILLIAMS, DIMOND, and Co., to Mr. GRAY.

Agency Pacific Mail Steamship Company,
San Francisco, 12th April, 1880.

SIR,—

Referring to letters recently interchanged between us in reference to our sending the Australian mail-steamers from this port on Saturdays, instead of Mondays as heretofore, we now regret to report that the colonial mails from London were brought to New York by the steamer "Germanic," and reached that port on Monday, the 5th instant, in time to be forwarded by the evening train, and arrived here to-day.

We beg you to make this known to the New Zealand postal authorities, that they may see that this failure to carry out our proposal to send this steamer on Saturday, the 10th, was in no way the fault of this Company. Our steamer was thoroughly prepared, and in readiness to leave her dock on that day, and, had the mails come to our hands, would have sailed the moment after receiving them on board.

Our advertisements were duly changed at all points, giving notice to the travelling public that our sailing days would hereafter be Saturdays instead of Mondays. All the passengers to go forward by the "Australia" were here in readiness to leave this port on Saturday, the 10th, excepting those who crossed the Atlantic on the steamer "Germanic," and came over the continent on the same train with the English mails.

From the foregoing you will see that the shortening of the time two days between London and Auckland depends exclusively on the energetic action of the authorities of the London Post Office. We have so arranged that the departures hence on Saturdays will conform to our convenience ; and if our London friends will do their share in hastening the arrivals at New York, no exertion shall be wanting on our part to improve this service. We will order our commanders to avail themselves of every favouring circumstance, and gain as much time as practicable between this and Auckland.

We have, &c ,

WILLIAMS, DIMOND, AND Co.,
General Agents.

W. Gray, Esq., Secretary, General Post Office, Wellington.

No. 46.

Mr. GRAY to MESSRS. WILLIAMS, DIMOND, and Co.

GENTLEMEN,—

General Post Office, Wellington, 22nd May, 1880.

I have the honor to acknowledge the receipt of your letter of the 12th ultimo, explaining the circumstances under which the steamship "Australia" was unable to sail from San Francisco on the 10th idem in terms of the arrangements for the acceleration of the transit of mails between London and New Zealand. The delay on the Atlantic was unfortunate, but the Postmaster-General hopes it will yet be found practicable to effect the saving of three days, and he is assured the contractors will do all in their power to carry out their undertaking.

Messrs. Williams, Dimond, and Co., General Agents,
San Francisco Mail Service, San Francisco.

I have, &c.,

W. GRAY,
Secretary.

No. 47.

Messrs. WILLIAMS, DIMOND, and Co., to the SECRETARY, General Post Office, Wellington.

Agency, Pacific Mail Steamship Company,
San Francisco, 20th March, 1880.

SIR,—

We respectfully beg to present to you the facts in connection with an accident which occurred on board the Company's steamship "City of Sydney" on the night of Sunday, the 14th instant, the repairing of the damages resulting from which caused the ship to be detained in this port until noon of this day.

At eight o'clock p.m. on the 14th instant, the steamer lying at her dock, with her cargo on board, fully equipped and ready for departure on arrival of the British colonial mails, smoke was observed by the officer of the deck issuing from the openings in the forward part of the ship. The whole force of the ship and of the Company's dock being called together, the hatches were opened, and the portion of the cargo destined for Honolulu, which was stored forward, was found to be on fire. Assisted by the City Fire Department, after a severe contest the flames were subdued, and all that part of the cargo was taken ashore. A survey of the steamer on the 15th instant showed that a considerable extent of the floor and ceiling had been quite badly burned, and several iron beams had been so warped by the excessive heat as to require removal and to be replaced by new ones.

After carefully ascertaining the real extent of the damage, and the time in which it could certainly be repaired and the steamer placed in complete readiness for sea, we determined it to be for the best interests of all concerned to keep the steamer until this day and have her placed in thoroughly good condition.

Before making our final decision in this case we consulted with Mr. Robert J. Creighton, Agent of the Government of New Zealand in this city, who kindly favoured us with his opinion and approved of our suggestion. All things considered, it appeared to be the very best course which could be adopted, also the most advisable plan for placing the New Zealand mails in Auckland at the earliest possible moment.

While holding our decision in abeyance, we ascertained that, owing to unusual delay on the Atlantic, the New Zealand mails could not reach this city before the afternoon of Wednesday, the 17th instant, and we beg now to add that said mail was not ready for delivery to us at seven o'clock p.m. of that day; thus showing that, had no accident occurred, the steamer could not have taken her mails from the Post Office and left this harbour much before midnight of that day.

This reduces the actual detention of the steamer in this port, after the arrival of the mails, say from midnight of Wednesday, the 17th, to noon of Saturday, the 20th, or actually sixty hours.

We have ordered our commander to exercise the most unceasing diligence, and, when he can do so without certain hazard, to press his ship and do all in his power to gain all or as many of these hours between this port and Auckland as practicable. Acting under these instructions, if favoured with ordinarily good weather, we feel assured that he will make the Port of Auckland very nearly on schedule time.

In the foregoing we have frankly detailed all the facts in connection with this first occasion of our having to delay the mails for your colony a single hour in this port, also our action in the endeavour to make good our contract to the letter. Should adverse causes, beyond human control, render it impossible for our fine ship to make up the loss, and arrive at Auckland on schedule time, we respectfully appeal to yourself and the honorable gentlemen of your department to extend to us that forbearance which our earnest efforts to discharge our duty with fidelity entitle us to solicit.

We candidly submit that, in this case, the obstructions were such as human power could not surmount; also, that in the effort to overcome them, we have followed the only proper and advisable plan. There was not another steamer to be obtained by purchase or charter in this port, capable of executing the work on or near the time allotted for the transportation of the mails hence to Auckland.

Most respectfully submitting our case to your kind and friendly consideration, and feeling assured that we shall be treated with that friendly fairness which has ever been extended to us by your Government,

We are, &c.,

W. Gray, Esq., Secretary,
General Post Office, Wellington.

WILLIAMS, DIMOND, AND Co.,
General Agents.

No. 48.

Mr. CREIGHTON to the SECRETARY, General Post Office, Wellington.

SIR,—

San Francisco, 20th March, 1880.

I regret to have to report the detention of the "City of Sydney" until to-day, owing to an accident, which you will find detailed in the accompanying newspaper clippings.

On learning the particulars of the accident, I went to the Pacific Company's Dock, and inquired into the facts, and steps to be taken to transmit the mail on schedule time.

At that time the bulk of the mail had not come through, and was not expected to arrive before noon on Wednesday, the 17th. The mail could not, therefore, be despatched earlier than that evening, and, as the nature of the damages admitted of the "City of Sydney" being fitted for sea on Saturday, it was considered advisable to delay it until then. This involved a delay of nearly three days, and, as the "Australia" had shown that this time could be gained on the trip, it was fair to assume that the "City of Sydney," under favourable conditions, would make an equally fast passage, and arrive somewhere near schedule time.

The Company had two vessels available, either of which might have been used had the emergency justified it, which, in my judgment and that of the Company's agents, it did not. The "Granada," one of the Panama and Mexican Line, is a much slower ship than the "City of Sydney," and would not make the run as fast as the latter, notwithstanding the detention, if she had even left this port on Wednesday evening. The "City of Tokio," one of the China steamers, was also in port; but, owing to her immense size, and the fact that she would have been extremely light, she could not have made anything like a fast voyage. Indeed, it would hardly have been safe to send a 5,000-ton ship, almost in ballast, on so long a voyage, with the prospect of encountering heavy weather on the New Zealand coast and on the run across to Sydney.

These considerations, I think, justify the course adopted, and, should my anticipations be realized, you will have your mails to hand without any material loss of time resulting from the fire. I must bear testimony to the solicitude of the General Agents of the Pacific Mail Company regarding the prompt despatch of the mail, and their anxiety to do everything possible in the matter.

A considerable portion of the newspaper mail was on board when the fire originated, but none of it was injured. Mr. Atkinson, Mail Agent, has been very attentive, and will doubtless report to you on this subject.

It was exceedingly fortunate that the fire occurred in harbour, as the consequences might have been very disastrous if the fire had broken out when the vessel was at sea.

Captain Dearborn has received instructions to run the ship up to her full capacity, and will no doubt use every diligence to comply with them.

I have, &c.,

W. Gray, Esq., Secretary,
General Post Office, Wellington.

ROBERT J. CREIGHTON.

Enclosure 1 in No. 48.

Messrs. WILLIAMS, DIMOND, and Co., to Mr. CREIGHTON.

Agency, Pacific Mail Steamship Company,
San Francisco, 17th March, 1880.

SIR,—

Our Mr. Williams had the pleasure of meeting you on this company's dock on Monday last, and, in our conversation in regard to the accident on board the "City of Sydney," you kindly expressed your conviction as to the soundness of his suggestions in reference to the repairing and hastily despatching that ship, and by that means getting the colonial mails through in better time than by any other method.

As the London mails have only arrived in this city to-day, the "City of Sydney" could not, even had no accident occurred, have sailed earlier than this afternoon; therefore, by detaining her until Saturday, the 20th, the actual delay will only amount to less than three days.

Under the circumstances—you being fully acquainted with all the facts in this case—we respectfully beg the favour of you to represent the same to your Government and postal authorities in such a way as to relieve us from blame, so far as you can consistently do so.

Our action has been taken under the full conviction that it was for the best interest of the Governments whose service we are performing, and that we could in no other way have served them so well.

We beg to add that, by diligence and proper driving of the ship on the outward voyage, we anticipate being able to reach Auckland very nearly on schedule time.

We are, &c.,

WILLIAMS, DIMOND, AND Co.

Robt. J. Creighton, Esq., Agent, New Zealand Government.

Enclosure 2 in No. 48.

Mr. CREIGHTON to Messrs. WILLIAMS, DIMOND, and Co.

GENTLEMEN,—

San Francisco, 18th March, 1880.

I have the honor to acknowledge your letter of the 17th instant, relative to the unavoidable detention of the "City of Sydney" until Saturday next, and in reply beg to state that I would have felt it my duty to inform the New Zealand Government that under the circumstances the contractors' agents here had done everything possible to avoid delay.

From the late performance of the "Australia," and the well-known sailing qualities of the "City of Sydney," I am not without hope that your anticipations regarding the voyage to the colony will be realized.

I have, &c.,

ROBT. J. CREIGHTON,
Agent, New Zealand Government.

Messrs. Williams, Dimond, and Co., San Francisco.

No. 49.

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

(Telegram.)

General Post Office, Wellington, 19th April, 1880.

Re fire "City of Sydney." Seeing it arose from uncontrollable causes, and that Company used every possible exertion to make good lost time, Postmaster-General considers full subsidy should be paid. What is opinion your department? Please reply sharp.

The Secretary, Post Office, Sydney.

W. GRAY.

No. 50.

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

(Telegram.)

Sydney, 19th April, 1880.

POSTMASTER-GENERAL concurs that full subsidy should be paid for "City of Sydney's" last voyage.

S. DALGARNO,

The Secretary, General Post Office, Wellington.

(pro Secretary.)

No. 51.

Mr. GRAY to Messrs. WILLIAMS, DIMOND, and Co.

GENTLEMEN,—

General Post Office, Wellington, 22nd April, 1880.

I have the honor to acknowledge receipt of your letter of the 20th ultimo, reporting the facts in connection with the fire which broke out on board of the steamship "City of Sydney" on the evening of the 14th of March, while lying at the Company's Wharf, San Francisco.

The Postmaster-General has carefully perused your narrative, and considered it in connection with the other reports made to this office on the matter, and is of opinion that the subsequent action taken by you was best calculated to serve the interests of the contracting colonies. Seeing that every endeavour was made to give the steamer the quickest possible despatch from San Francisco, and that the commander was instructed to press his vessel on the run to Auckland, the Postmaster-General has, after consulting the Postmaster-General of New South Wales, agreed that your Company shall receive full subsidy for the voyage in question, which was performed in 461 hours to Auckland.

I have, &c.,

W. GRAY,

Secretary.

Messrs. Williams, Dimond, and Co., San Francisco.

No. 52.

Mr. GRAY to Mr. CREIGHTON.

General Post Office, Wellington, 22nd April, 1880.

SIR,—

I beg to acknowledge the receipt of your letter of the 20th ultimo, together with the several enclosures thereto, furnishing full particulars of the fire which occurred on the "City of Sydney" previous to her last departure from San Francisco.

I am directed to state that the Postmaster-General is of the opinion that, in pushing on the repairs of the vessel and despatching her at the earliest possible moment, the Company were consulting the best interests of the contracting Governments. Seeing that every endeavour was made to give the steamer the quickest possible despatch from San Francisco, and that the commander was instructed to press his vessel on the run to Auckland, the Postmaster-General has, after consulting the Postmaster-General of New South Wales, agreed that the company shall receive full subsidy for the voyage in question, which was performed in 461 hours to Auckland.

I have, &c.,

R. J. Creighton, Esq.,

W. GRAY,

Resident Agent for New Zealand, San Francisco.

Secretary.

 By Authority: GEORGE DIDSBUXY, Government Printer, Wellington.—1880.

Price 1s. 3d.

5—F. 2.

