

of Australian mails, I now have the honor to transmit, for your information, copy of a letter since received from the secretary to the Agent-General for New South Wales, covering copy of the telegraphic reply from Mr. Creighton to the joint telegram which was addressed to him on this subject.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

### Enclosure in No. 12.

The SECRETARY, New South Wales Government Agency, to the AGENT-GENERAL for NEW ZEALAND.

5, Westminster Chambers, Victoria Street, S.W., 29th January, 1881.

SIR,—

*San Francisco Mail Service.*

Referring to the proposed remission by the United States Government, in favour of the Colonies of New Zealand and New South Wales, of a moiety of the cost of the overland transportation of the Australian closed mails from New York to San Francisco, and to the telegram sent to Mr Creighton on the 28th instant, I am desired by the Agent-General for New South Wales to forward for your information copy of a telegraphic reply from Mr. Creighton, received at this office this morning.

I have, &c.,

S. YARDLEY,

The Agent-General for New Zealand.

Secretary, New South Wales Government Agency

### Sub-Enclosure to Enclosure in No. 12.

Mr. CREIGHTON to the AGENTS-GENERAL for NEW SOUTH WALES and NEW ZEALAND.

(Telegram.)

San Francisco, 29th January, 1881.

NOT retroact yearly maximum forty thousand dollars.

The Agents-General, New South Wales and New Zealand.

CREIGHTON

### No. 13.

The SUPERINTENDENT of FOREIGN MAILS, Washington, to the Hon. the POSTMASTER-GENERAL, Wellington.

Post Office Department, Office of Foreign Mails,

SIR,—

Washington, D.C., 16th December, 1880.

I have the honor, by direction of the Postmaster-General, to inform you that the Act, passed at the last session of Congress, making appropriations for the service of this department, contains a revision authorizing the Postmaster-General "to remit in favour of the Colonies of New Zealand and New South Wales so much of the cost of the overland transportation of the Australian closed mails as he may deem just."

The object of this legislation is not expressed in its terms, but the Postmaster-General understands its enactment was urged upon Congress by representations that the cost of the overland transportation of the Australian closed mails was defrayed by the Colonies of New Zealand and New South Wales; that the transit charges thereon were higher than those paid on other closed mails transported over the same route; and that, unless some concession was made by a reduction thereof in favour of said colonies, it was probable that the Australian mail route across the American Continent would be abandoned at the expiration of the present contract for the monthly steamship service between Sydney, Auckland, and San Francisco.

I am to state, however, that the United States territorial transit charges on the British and Australian closed mails are accounted for to this department by the General Post Office in London, at the rate of six francs per kilogramme of letters and two francs per kilogramme of printed matter and samples, which rates were fixed by a special agreement between this department and the British Post Office, and are considered barely sufficient to reimburse this department for the actual cost of the railway transportation between New York and San Francisco, without taking into account any expenses for the handling and transfer of the mails at the terminal and intermediate points. They are, also, the same as the transit rates paid on the closed mails of other Postal Union countries transported over the same route.

In regard to the monthly mail steamship service between the colonies and San Francisco, established under contract with the Governments of New Zealand and New South Wales, which affords at the present time the only means of regular direct mail communication with Australasia, there is no doubt that the people of the United States earnestly desire its continuance, and would regard it as a misfortune if, for any reason, it should be abandoned, as it has been an efficient agent in promoting the friendly and business relations now so happily existing between the people of the United States and those of the colonies.

The Postmaster-General is disposed to carry into effect the will of Congress, as expressed in the provision of law above referred to, by remitting in favour of the colonies, in consideration of the continuance of the existing steamship services to and from San Francisco after the termination of the present contract, such portion of the transit charges on the Australian closed mails as will be equitable and just; but, as these charges are paid to this department by the General Post Office in London, which is understood to be solely chargeable with them, without recourse to the colonies for any portion thereof, he does not clearly see how such an arrangement is feasible. He would, therefore, be pleased to be favoured with your views on the subject before taking any definite action in the premises.

I have, &c.,

JOSEPH H. BLACKFAN,

Superintendent, Foreign Mails.

The Postmaster-General, Wellington, New Zealand.