

No. 14.

Mr. GRAY to the SUPERINTENDENT of FOREIGN MAILS, Washington.

SIR,—

Post Office and Telegraph Department, Wellington, 24th January, 1881.

I am directed to acknowledge the receipt of your letter of the 16th ultimo, intimating that the Act passed at the last session of Congress, making appropriations for your department, contained a provision 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."

Before replying at length to the several matters referred to in your letter, the Hon. Mr. Hall will communicate with the Postmaster-General of New South Wales, who is a co-contractor with the Postmaster-General of this colony for the San Francisco mail service, and on receipt of a reply you will again be written to.

I have, &c.,

W GRAY,
Secretary

The Superintendent of Foreign Mails, Washington, D.C.

No. 15.

The Hon. Mr. HALL to the Hon. the POSTMASTER-GENERAL, New South Wales.

SIR,—

Post Office and Telegraph Department, Wellington, 20th January, 1881.

You are no doubt aware of the nature of the negotiations undertaken by Mr. Creighton, the agent for this department at San Francisco, with the view of securing a substantial reduction of the charges at present levied by the United States Post Office for the overland carriage of the colonial mails between New York and San Francisco. You will also probably have gathered from the correspondence forwarded by me to your predecessor that an Act had passed the United States Senate empowering the United States Post Office to remit, in favour of the contracting colonies, so much of the charges as the Postmaster-General of the United States may deem just. By the last San Francisco mail I received a letter from the Superintendent of Foreign Mails, Washington (a copy of which I beg to enclose),* intimating that the Postmaster-General is prepared to give effect to the provisions of the Act, provided the San Francisco service be continued after the termination of the existing contract. But, as the overland transit charges are at present defrayed by the Imperial Post Office and not by the colonies, Mr. Blackfan does not see how any rebate would benefit us, and asks for an expression of opinion on the subject before his department takes any definite action.

In reply, I have answered Mr. Blackfan that I would consult the Postmaster-General of New South Wales, and, on ascertaining his views, would write fully by a subsequent mail.

The presence at the Conference of my colleague, the Hon. Mr. Dick, seems to me a favourable opportunity for discussing this matter, as well as the continuance of the San Francisco service after the termination of the existing contract. I hope you may find it convenient to discuss the several matters with my colleague, with whom I am communicating, and placing him in possession of the views of the Government.

With respect to the American transit charges, I have no doubt the Imperial Post Office would allow the colonies the full benefit of any reduction made by the United States Post Office. But, if it be considered more desirable, the United States Post Office might be requested to make a direct payment to the colonies of a sum equivalent to that by which it may be agreed to reduce these charges. On these several points I have asked my colleague to confer with you.

I have, &c.,

JOHN HALL,
Postmaster-General.

The Hon. the Postmaster-General, New South Wales.

No. 16.

Mr. CREIGHTON to Mr. GRAY

SIR,—

San Francisco, California, 17th January, 1881.

I have the honor to inform you that I received a letter from the Hon. Horace Davis, after the departure of the last mail steamer for the colonies, informing me that he had had several interviews with officers of the Postal Department, regarding the territorial transit of the New Zealand mails.

He writes: "The department at last recognizes the justice of the claim of the colonies, and the Postmaster-General is willing to remit, say, one-half of the charges, amounting to perhaps \$50,000, in their favour; but there are some difficulties in the way. The payment of territorial transit is made entirely to Great Britain direct, and our Government has no dealings with the colonial Postal Department in money matters; therefore our Post Office Department cannot remit any charge directly to the New Zealand Government, and the question has arisen whether, under the circumstances, they can pay over to the colonies any money without a special appropriation. The Post Office Department has therefore forwarded to the Colonial Government a letter mailed by steamer this month (December), signifying its willingness to remit a portion of the charge in favour of the Colonial Government, and its desire to maintain the line of steamships and cultivate friendly relations with the colonies, and outlining the practical difficulties that attend the matter. If you have any suggestions to make I should be glad to hear them."

I deemed this of sufficient importance to telegraph, because my entire negotiations have latterly, and indeed mainly throughout, been conducted through Mr. Davis; and I was aware also that the

* Vide No. 13.