

Enclosure in No. 24.

The Hon. HORACE DAVIS to Mr. CREIGHTON.

(Telegram.)

Washington, D.C., 15th February, 1881.

FAVOURABLY reported to Senate. Still under discussion. Likely to pass.
Robt. J Creighton, Office *Evening Post*, San Francisco.

HORACE DAVIS.

No. 25.

Mr. GRAY to Mr. CREIGHTON

SIR,—

Post Office and Telegraph Department, Wellington, 26th March, 1881.

I have the honor to acknowledge the receipt of your letter of the 15th ultimo, in continuation of previous correspondence relative to the remission of a portion of the American transit charges by the Government of the United States. I am directed to state, in reply, that the Government heartily appreciates your past exertions in this matter, and the favourable result which you have been instrumental in obtaining. The Government has decided to defer communicating further with the United States Post Office until it receives from you advice of the definite result of the action of Congress. In the event of the American Post Office desiring to stipulate that the payment of the proposed contribution be made conditional, as it was suggested the remission of the transit charges should be, upon an undertaking on the part of the colony to continue the San Francisco mail service after the expiration of the present mail contract, I am directed by the Postmaster-General to state that such a stipulation is one which no Parliamentary Government can comply with, as it would be impossible to bind a future Government, much less a future Parliament. I am also directed to state that there is no desire whatever on the part of the New Zealand Government to withdraw from the present service, and it is hoped that the concession now proposed by the United States Government will secure an equally favourable view of the case on the part of the Government of New South Wales.

I have, &c.,

W GRAY,
Secretary

R. J. Creighton, Esq., San Francisco.

No. 26.

Mr. CREIGHTON to Mr. GRAY.

SIR,—

San Francisco, California, 12th March, 1881.

I have pleasure in stating that the United States Congress has appropriated \$40,000 on account of the freight charges on the closed Australian and New Zealand mails crossing the Continent.

When I last wrote the matter was in some doubt, although I had every reason to suppose that the appropriation would be made. Owing to the hurry and scramble of the last days of the session, and the inauguration of the President, the Press despatches did not contain precise information on the point. However, I asked the Postmaster of San Francisco to sign the following despatch, which I forwarded to ascertain precisely how the matter stood:—

“San Francisco, 10th March, 1881.—Please state if the Post Office Appropriation Bill passed contains appropriation of \$40,000 on account transit charges Australian and New Zealand mail. Reply paid.—JAMES COEY, Postmaster. Hon. J H. Blackfan, Superintendent of Foreign Mails, Washington, D.C.”

This telegram was replied to as follows:—

“Washington, D.C., 11th March, 1881.—Forty thousand appropriated on account named in your telegram.—JAS. H. BLACKFAN, Superintendent Foreign Mails. To Postmaster, San Francisco, California.”

This, as you will perceive, settles the question for at least one year; and I have no doubt whatever, if some one makes it his business to attend to it hereafter, that similar results would follow. It has been a very great tax upon my time and resources, but I feel satisfied so far that my exertions have not been in vain. In considering this whole question, however, the Railroad and Transportation Companies must be left altogether out. They are not the parties which should be approached, for the reason that they have to take what is paid to them by the Government, although the form of a contract is gone through. Congress alone has the power; but of course the good will of the Administration must also be secured. What your Government should do is to continue the policy I have begun, and convince the United States that it is their interest to sustain this line. Having done so, the rest is simple enough. It will only require judicious handling every session until you can perfect an agreement with the Washington Government which will render this unnecessary. I am thinking out the means whereby this may be accomplished: meantime I should be pleased to have your opinion upon the subject. I need not, however, enforce the necessity for maintaining direct commercial and postal intercourse with this country. It is all-essential to New Zealand, owing to its marvellous industrial development and to the new world of commercial activity the United States is opening on the Pacific Slope, to have intimate relations with this country. These points are familiar to your Government, which has the honor to stand higher to-day in the estimation of American statesmen than any other British dependency.

In this connection, I have to note that the Southern Pacific Railroad has been connected with the Topeka and Santa Fe line, and that the snow blockade of which we now complain, and which frequently delays your mail, need not again occur. Before the year is out the Southern Pacific will be open to a port on the Gulf of Mexico, and a shorter and much more pleasant route will be opened to England from the colonies *via* San Francisco.

I have, &c.,

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

ROBT. J CREIGHTON,