F.—4.

No. 27 Mr. Gray to Mr. CREIGHTON.

SIR,-Post Office and Telegraph Department, Wellington, 23rd April, 1881.

It is with pleasure that I have to acknowledge the receipt of your letter of the 12th ultimo, notifying that the United States Congress had appropriated \$40,000 on account of the freight charges on the closed colonial mails transported through the States, to be paid direct to the contracting colonies without any reservation as to the future of the San Francisco service.

I have again to express to you the acknowledgments of the Postmaster-General for your untiring efforts in the matter of the transit charges, and to congratulate you on having secured for the

contracting colonies so substantial a result as that indicated in your letter.

Your suggestions, you will note from the enclosed copy of a letter to the Superintendent of Foreign Mails at Washington, have already received attention so far as relates to representations to the American Government for an annual appropriation in aid of the San Francisco service. I also enclose copy of a letter to the Secretary, General Post Office, Sydney, asking for the co-operation of that department; and, on receipt of a reply from the New South Wales Post Office, this department will be in a position to write you as to the direction future negotiations should take.

I think it well to draw your attention to the paragraph in the enclosed letter to the Superintendent of Foreign Mails, Washington, in which it is pointed out that, though New Zealand is favourable to the San Francisco service, no guarantee can be given that the service will be continued

when the present contract expires, for the reason given in the letter.

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

I have, &c., W GRAY, Secretary

No. 28.

Mr. Gray to the Superintendent of Foreign Mails, Washington.

Post Office and Telegraph Department, Wellington, 23rd April, 1881. In further reference to your letter of the 16th December last, and in continuation of mine of SIR,the 24th January and the 26th February in acknowledgment thereof, I have the honor, by direction of the Postmaster-General, to state that it seems unnecessary now to forward you the conjoint views of the New South Wales and New Zealand Postal Departments on the proposed remission of a portion of the charges for transit of the colonial closed mails through your country, based on the stipulation that the San Francisco service shall be continued after the expiration of the existent contract. since my letter of the 26th February this department has been informed, through its agent at San Francisco, that your Congress has been pleased to appropriate the sum of \$40,000, being part of the cost of the overland transit of the colonial closed mails to be paid direct to the contracting colonies, without reference to the question of the further continuance of the service. I am therefore directed to prefer a formal request that you may be pleased to arrange payment of this sum to the Postmaster-General of this colony, for division equally between the contracting colonies.

I am to point out that no guarantee can be given that the service will be continued beyond the currency of the existing agreement with the Pacific Mail Company, because it is out of the power of any Parliamentary Government to bind any future Administration, far less a future Parliament. There is, however, no desire on the part of this colony to abandon the service; and it is hoped that the concession now made by your Congress will secure an equally favourable response from the Govern-

ment of New South Wales.

SIR.

As the commercial relations between the United States and Australia and New Zealand are now of considerable magnitude and of great advantage to the United States, the value of exports of American produce to the Australian Colonies amounting last year to \$8,000,000, the Postmaster-General trusts that your Government and Congress may recognize the desirability of making an annual appropriation to diminish to the contracting colonies the cost of maintaining rapid and regular mail communication I have, &c., W GRAY, with the United States.

The Superintendent, Office of Foreign Mails, Post Office Department, Washington, D.C. Secretary

No. 29

Mr. Gray to the Secretary, General Post Office, Sydney

Post Office and Telegraph Department, Wellington, 23rd April, 1881.

I have the honor, by direction of the Postmaster-General, to forward herewith copy of a letter from Mr. R. J. Creighton, Resident Agent at San Francisco for this department, conveying the satisfactory intelligence that the United States Congress had voted \$40,000 on account of the freight charges on British, Australian, and New Zealand closed mails conveyed across the American Continent, payable to the contracting colonies direct, without the stipulation being required from the colonies to maintain the service after the expiration of the existing contract with the Pacific Mail Company

I also have to enclose copy of the reply which has been forwarded Mr. Creighton, together with copy of a letter addressed to the Superintendent of Foreign Mails, Washington, making application on behalf of the contracting colonies for payment of the amount voted by Congress, and expressing the hope that the action taken by Congress will cause your Government to express the opinion that New South Wales has no desire to abandon the service. It has also been pointed out to Mr. Blackfan that the great commercial advantages reaped by the United States from the maintenance of the service should cause the Government and Congress to make an annual appropriation towards the cost incurred I have, &c., W GRAY, by the contracting colonies.