

1883.
NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE

(FURTHER PAPERS RELATIVE TO).

[In Continuation of Papers presented on the 25th July, 1882.]

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

No. 1.

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

Wellington, 24th July, 1882.

WILL you agree to extend present contract for San Francisco service for twelve months?

WALTER W. JOHNSTON,

The Postmaster-General, Sydney.

Postmaster-General.

No. 2.

The Hon. Mr. BROWN to the Hon. the POSTMASTER-GENERAL, Wellington.

Sydney, 29th July, 1882.

REFERENCE to your telegram *re* Frisco service, regret, with facts before me, cannot accede to proposal.

S. C. BROWN,

The Postmaster-General, Wellington.

Postmaster-General.

No. 3.

The Hon. Mr. DICK to the Hon. Sir HENRY PARKES, Sydney.

Wellington, 21st October, 1882.

SHALL be glad to learn at your earliest convenience that your Government is now in a position to state definitively its intentions with respect to the San Francisco service, and that you are prepared to co-operate with us in renewing service.

THOMAS DICK,

The Hon. Sir Henry Parkes, Sydney.

Colonial Secretary.

No. 4.

Mr. GAMBLE to Mr. GRAY.

Auckland, 16th November, 1882.

“CITY of New York” brought Mr. F. H. Olmsted, special agent of Pacific mail, bearing full powers to negotiate with New South Wales Government for renewal of mail contract. The Company write me that any and all action to be taken in New Zealand is to be left in my hands, and have given me discretionary power. I shall be in constant communication by wire and mail with Olmsted, and will be glad if you can give me any information that will guide him in his efforts with Sydney officials. When he accomplishes anything definite, or advises me of failure, I will come to Wellington.

THOS. T. GAMBLE,

W. Gray, Esq., Wellington.

Agent, Pacific Mail Steamship Company.

No. 5.

Mr. GRAY to Mr. GAMBLE.

Wellington, 16th November, 1882.

THE Postmaster-General has seen your telegram, and desires me to state that you are doubtless aware of the action taken by Parliament with regard to the San Francisco service. Government has nothing to add to that at present, but will be glad to hear from you when you are in a position to negotiate.

W. GRAY,

T. T. Gamble, Esq., Agent Pacific Mail Company, Auckland.

Secretary.

No. 6.

The Hon. Mr. DICK to the Hon. the COLONIAL SECRETARY, Sydney.

Wellington, 17th January, 1883.

ARE you prepared to negotiate for renewal of Frisco service? Kindly reply to-day.

THOMAS DICK,

The Hon. the Colonial Secretary, Sydney.

Colonial Secretary.

No. 7.

The Hon. Mr. STUART to the Hon. the COLONIAL SECRETARY, Wellington.

Sydney, 22nd January, 1883.

TERMS of continuance Frisco postal service delayed by recent Ministerial changes now occupying our attention. Anxious to know your views, although to us this service importance as postal route much less than formerly.

ALEX. STUART,

The Colonial Secretary, Wellington.

Colonial Secretary.

No. 8.

The Hon. Mr. DICK to the Hon. the COLONIAL SECRETARY, Sydney.

Wellington, 23rd January, 1883.

(CONFIDENTIAL.)—Our views are to continue the service on the best terms we can make, not exceeding those at present.

THOMAS DICK,

The Hon. A. Stuart, Colonial Secretary, Sydney.

Colonial Secretary.

No. 9.

The Hon. Mr. DICK to Mr. CREIGHTON.

SIR,—

General Post-Office, Wellington, 26th January, 1883.

The renewal of the San Francisco service, and the possibility of Congress being prevailed upon to vote a subsidy in aid of the line, and also to consent to a reduction of the duties now levied on New Zealand wools, have been under the consideration of Cabinet; and it has been decided to authorize you to proceed to Washington as the special representative of the New Zealand Government, in the belief that your presence there during the sitting of Congress would be likely to assist in securing for the colony that which is so necessary in the interests of our future commerce with the United States. You will therefore be good enough to proceed to Washington at your earliest convenience as the representative of this Government, and use your best efforts to procure substantial aid to the San Francisco line and a reduction of the duty on New Zealand wools. The United States Consul, Mr. Griffin, at Auckland, has been requested to bespeak the good offices of the Departments of State and Post-Office on your behalf. Mr. Griffin has also been asked to write you by the outgoing mail on any point it may seem to him necessary you should be advised. Should anything by the incoming mail indicate that it is desirable you should reach Washington immediately, these instructions will be anticipated by others by cable, asking you to proceed there forthwith.

Parliament, as you are aware, authorized Government to extend the San Francisco service for a term not exceeding three years, provided the annual cost should not exceed that now paid by the colony. I enclose copy of the *Hansard* with the debate which took place in the House of Representatives when the question was proposed. The absence of definite official information as to the intention of the New South Wales Government has prevented anything decisive being settled up to the present time. This Government, however, is desirous of renewing the service on the basis of the total annual cost of £72,500 being shared equally between the United States, New South Wales, and New Zealand. This, in effect, has been communicated to the contractors through Messrs. Gamble and Olmsted, at an interview with the Premier and myself on the 17th instant. What decision New South Wales may eventually arrive at is not known; but it may be that this Government will have to reconsider its position with regard to the renewal, should the negotiations now pending between the contractors' special representative and the Government of New South Wales fall through. Unless the United States grant a subsidy in aid of the service, there is danger of the service being dropped—at least there is a probability of the contracting colonies not agreeing jointly to renew. The service is now of but little value to New South Wales as a mail-line. Its commercial advantages are however recognized, but at the same time it is held in that colony that the United States, in the interest of its commerce, is as much, if not more, interested in maintaining the service than either New South Wales or New Zealand. This opinion is fully shared by this Government. You will therefore, in urging for substantial recognition of the service, point out the importance of the trade to the United States, and the opinion held by the people of New South Wales. There may be a disinclination to grant a direct subsidy; but the Government confidently presume the renewal in favour of the colonies of the appropriation of the \$40,000 voted in 1881 will be agreed to without question; and, if this is to be the form in which it may be decided to aid the service, it should be recognized by Congress

that \$40,000, compared with what is paid by the colonies, and the advantage of the service to American commerce, are a wholly inadequate contribution. You will, of course, take special care that, if payment is to be made at all, it shall be of substantial amount. In view of the possibility of New South Wales eventually declining to renew, except on terms neither acceptable to the contractors nor this colony, the Government wish you to inquire what aid New Zealand might expect from the United States in the event of this colony undertaking to continue the service on her own responsibility, with Auckland as the terminus.

You have mentioned the possibility of the overland journey between San Francisco and New York being considerably shortened; and, I understand, there is reason to believe the time will ere long be reduced from seven to five days. In the event of a renewal of the service being arranged, a reduction of time between London and New Zealand would be an essential feature of the contract, so as to enable the service to compete successfully with the eastern mail-lines. You will therefore recognize the importance of urging on the railway authorities and others the need for reducing the time between San Francisco and New York to a minimum.

You are already in possession of the views of the Government as to the advantages the colony would derive were the prohibitive duties now levied on New Zealand wools, introduced into the United States, removed; and the Government is satisfied you will deal with the question in a manner best calculated to benefit the colony.

It is suggested that you confer with the directors of the Pacific Mail Company, and, as far as possible, co-operate with them in any action they make take (and of which you approve), either in the matter of procuring a subsidy to the San Francisco service, or in the direction of obtaining a reduction of the duty on our wools.

* * * * *

I have, &c.,

THOMAS DICK,

Postmaster-General.

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

No. 10.

Mr. GAMBLE to Mr. GRAY.

Auckland, 6th February, 1883.

Will you kindly advise Premier and Postmaster-General that my company offers to renew mail service with the Colonies of New South Wales and New Zealand for the sum of fifty-two thousand five hundred pounds, proportions of this amount to be arranged by the colonies? Only change from present service to be the running of three instead of four boats, and reduction of twenty hours to San Francisco. New South Wales has been informed of this offer.

THOS. T. GAMBLE,

Agent, Pacific Mail Steamship Company.

W. Gray, Esq., Wellington.

No. 11.

The Hon. Mr. STUART to the Hon. the COLONIAL SECRETARY, Wellington.

Sydney, 10th February, 1883.

THIS Government has under consideration continuance American postal service. Agents now offer, if fourth boat dispensed with, to give twenty hours' increased speed for fifty-two thousand five hundred. Are you prepared pay balance if we pay twenty thousand? The public feeling strongly divided, as its postal value for English letters much destroyed by other unsubsidized routes. Your reply necessary before we can decide what to submit to Parliament. Cannot possibly submit more. Doubtful if that successful. Would not propose longer than three years. Great dissatisfaction exists here that American Government stands aloof.

ALEX. STUART,

Colonial Secretary.

The Colonial Secretary, Wellington, New Zealand.

No. 12.

The Hon. Mr. DICK to the Hon. Mr. STUART.

Wellington, 16th February, 1883.

Fr'isco Service: You do not seem to sufficiently appreciate advantages of having the terminus, nor to recognize the extra cost of six thousand pounds to us for collecting and distributing mails, nor the probability that an accelerated service will increase number of your letters by Fr'isco. If you absolutely decline to pay more than twenty thousand, we will agree to thirty-two thousand five hundred for three years, but would prefer that renewal should only be for two years.

THOMAS DICK,

Colonial Secretary.

The Hon. Alex. Stuart, Sydney

No. 13.

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

DEAR SIR,—

San Francisco, 12th February, 1883.

The subject of the permanence of the Pacific mail service is beginning to attract attention among mercantile circles in this city. Reference was made to the subject by the retiring President of the Chamber of Commerce, Mr. Babcock, who said: "Business between this coast and the Australian Colonies is steadily increasing, owing to the monthly service of the Pacific Mail Steamship Company. No doubt could this service be made semi-monthly it would be of vast profit to this country. The present mail contract between the colonies and the Pacific Mail Steamship Company will soon expire, and unless our Government grants a fair subsidy to this company it is feared the contract will be awarded to one of the numerous lines now running *vid* the Suez Canal."

Mr. Babcock has been succeeded as president by the Hon. Horace Davis, whose friendly aid in Congress is well known to you. The influence of the Chamber may therefore safely be counted upon.

At the late annual meeting of the Board of Trade of this city President Taber said: "The contract between the Colonies of New Zealand and New South Wales and the Pacific Mail Steamship Company, for the transportation of mails between Sydney, Auckland, and London, *vid* San Francisco, is drawing near its termination, and the question of its renewal or abandonment is being discussed in colonial, California, and English journals. This service has been of great advantage to the United States, and especially to this city and coast. It has opened a new market for many of our California products and manufactures, which has already become very important to us, and promises to increase year by year if the service is continued, until it will become immense. This growing commerce between the colonies and the United States is not viewed with favour by English merchants and manufacturers, and they prefer to see contracts made with the Peninsular and Oriental and Orient Steamship Companies for mail services by direct sea-routes *vid* Suez. So far our country has done nothing to aid this service, and we have seen for over seven years an American company supported by English subsidy. I submit the suggestion that it may be well for this Board to address our representatives in Washington on the subject. This colonial trade is of great importance to us, and can only be retained by steamers from San Francisco and careful attention. Our trade with China and Japan is growing year by year, and we should sell them more goods than we do." A committee of the Board has been appointed to draft a memorial to Congress on the subject, and I have already had an interview with the chairman. Upon learning what the Government propose specially to do I shall procure a concurrent resolution from the Legislature of California in favour of a subsidy.

New lines of transcontinental travel are projected and approaching completion, among them being a direct line of steamers between Guaymas and China and Japan, as a feeder to the Santa Fé and Topeka Railroad-system. This is a shorter route than *vid* San Francisco. The Northern Pacific will be through to deep water on Puget Sound in about August next; and the directors speak of a steamer line to China, the route being 600 miles shorter than by this city. Although this has been the severest winter on record almost, the traffic on the Northern Pacific was only interrupted six hours at one point, and a force of 2,000 men are steadily at work grading and track-laying. Other lines have had their traffic seriously impeded.

I do not think a Tariff Bill will pass this session. If it does, however, it will be more favourable to New Zealand trade than the present one. I would vastly prefer, however, that it would fail in passing, as the Democrats, who are in favour of a revenue tariff, would control the House in the new Congress, and much better terms might be obtained from them in aid of the mail service. I append newspaper extracts which have a bearing upon this question.

W. Gray, Esq.,

Secretary, General Post-Office, Wellington.

I have, &c.,

ROBT. J. CREIGHTON.

No. 14.

Mr. GRAY to Mr. CREIGHTON.

General Post-Office, Wellington, 28th March, 1883.

SIR,—

I have the honour to acknowledge receipt of your letter of the 12th ultimo in relation to the renewal of the San Francisco mail service and the commerce between New Zealand and the United States. The Hon. the Premier and the Postmaster-General have read it with much interest, as well as the extracts from newspapers sent with it. It is very satisfactory to find the feeling of some of the American journals so favourable to this country's interests.

It is to be regretted no further steps can be taken here in the matter of the renewal of the service at present. They have to be held in abeyance owing to want of further information from the Government of New South Wales, who have proposed to their Parliament to renew the service conjointly with New Zealand. Up to the present no legislative decision has been arrived at.

The late Congress having dealt favourably with the tariff question, the Government are naturally anxious to hear whether the new Congress meets this month, and what prospects there may be of the San Francisco service receiving any substantial aid. It is to be hoped there will

be another session of Congress before our Parliament meets, and that the question will have been disposed of in a manner acceptable to the colonies. So far it would seem you had not found any necessity to act on the instruction sent you last month requesting that you should proceed to Washington.

I have, &c.,

W. GRAY,

Secretary.

B. J. Creighton, Esq., San Francisco.

No. 15.

Mr. CREIGHTON to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

San Francisco, California, 9th March, 1883.

I have the honour to acknowledge the receipt of your letter of date January 26, 1883, containing instructions relative to the Pacific mail service. I have carefully read the same and noted contents.

I did not proceed to Washington on receipt thereof, because there was no useful purpose to be served by the journey. Congress was about to adjourn, and did adjourn on the 4th of March, and it would have been impossible to influence legislation in any way at that advanced stage of the session. There were two measures before Congress having a direct bearing upon the service: one of these was a proposal for a fast mail service from New York to San Francisco; the other, a section in the Shipping Bill providing a subsidy not to exceed \$1,500,000 for the carriage of ocean mails, contracts for which were to be called for by public advertisement by the Postmaster-General. The first fell through owing to a disagreement between the two Houses, and doubtless also railroad opposition; the second was killed at the last hour as a sop to the opposition in the Senate, but the House refused to pass the Bill as amended. The consequence is that the Shipping Bill, of which it was an essential part, remains for action in the Forty-eighth Congress, and I have little doubt but it will become law. If the measure had been pressed earlier in the session it would certainly have gone through, and, as the Administration favours the fast mail service, this is only a question of time.

I deemed it advisable, upon receipt of your letter, to take steps at once to enlist the commercial and legislative interests of this coast on behalf of the service. I waited upon the Chairman of the Postal Committee of the Board of Trade, and had a special meeting called, at which I presented the matter fully. A memorial to the California Legislature, then in session, was adopted, together with joint or concurrent resolutions; and as the time for introducing such business had expired, except by a two-thirds majority, I undertook to go to the Legislature and procure their adoption. This accordingly I did, with the memorial under seal, which I had introduced concurrently in the Senate and Assembly. I also appeared before the Committees, and had the satisfaction, in a few days, of having the concurrence of both Houses to the Board of Trade resolutions requesting Congress to make adequate provision for a continuance of the Pacific mail service with New Zealand and Australia. The Governor of California was instructed to transmit the concurrent resolutions by telegraph to the President of the Senate and Speaker of the House of Representatives respectively, with a request for their immediate action; and I drafted a despatch to Senator John F. Miller, of California, which was signed by the President of the Board of Trade and the Chairman of the Postal Committee, and transmitted by me, requesting him to take charge of the resolutions and invite the co-operation of the other members of the California delegation.

The session was too far advanced, however, for any effective action, the entire interest being centred in the Tariff Bill and the Rivers and Harbours Appropriation Bill. The first passed at the last moment; the second failed. The point gained, however, is this: that the commercial bodies and Legislature of California are upon record in favour of a subsidy to a mail service with New Zealand and Australia *vid* San Francisco. If I had gone East immediately this could not have been accomplished, because the Legislature only holds biennial sessions; and I deemed the political and moral support of the Pacific Coast more important than the mere chance of effecting something in the last fortnight of a congressional session, which was marked by great excitement and contention. It will be a strong basis for action in the coming session, although it is not probable that an extra one will be called. In that case, Congress would not meet before the first Monday in December, 1883. Of course, if I had received instructions earlier the matter might have been different, but under the circumstances I think the best thing possible has been done.

I have written to the General Manager of the Central Pacific Railroad Company regarding a fast-mail service and freight-rates for colonial produce. I had an interview with Mr. Filmore, the general superintendent, who avoids discussing the points in my letter until Mr. Towne, who is ill, returns to his office. I hope to be able to make a favourable report upon this subject next mail. Railroad competition is fast approaching, and it is worth the consideration of the Central and Southern Pacific, corporations to retain the Australasian trade by special concessions. A copy of my letter is annexed.

Should nothing unforeseen prevent, I intend going to Washington and New York within a few weeks, and endeavour to make satisfactory arrangements with the United States Government for the carriage of the mail across the continent. I shall likewise consult with the Pacific

Mail Company on the various points suggested in your letter. I am not at all satisfied that the company has any intention to put on a superior class of boats, but there should be no difficulty in the way of finding them. However, I shall not prejudice the Pacific mail, which has on the whole given great satisfaction under the existing contract.

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The Hon. the Postmaster-General, Wellington. I have, &c.,
ROBT. J. CREIGHTON.

Enclosure 1 in No. 15.

Mr. CREIGHTON to the GENERAL MANAGER, Central Pacific Railroad Company.

DEAR SIR,—

San Francisco, 5th March, 1883.

Having been specially commissioned by the New Zealand Government to proceed to Washington and New York in connection with matters directly affecting the continuance of the mail service between England and New Zealand and Australia *via* San Francisco, which expires 15th November, 1883, I should feel obliged if you would accord me an interview upon the points following at your earliest convenience:—

In the event of the New Zealand Government determining to continue the service, what reasonable guarantee is there that a fast mail train, say of five days, between San Francisco and New York, will be established by the United States Post-Office?

In the event of the United States Post-Office not establishing such fast mail service overland, would the railroad company undertake to do so upon the arrival of the enclosed British and colonial mail at the terminal points in this country?

I put this question suggestively, from a knowledge of the great value the colonial travel is to the overland railroads, and the loss it would be to this city and transportation companies were the travel discontinued or diverted to other points.

Can special freight-rates be made with the railroad for wool or other colonial products from the colonies, and, if so, at per pound for wool and kauri gum, including and exclusive of steamship charges respectively?

The Tariff Bill just passed will promote increased wool shipments from the colonies, especially from New Zealand, and, if a liberal freight tariff could be guaranteed, I make little doubt it would nearly all be carried by steamship to this port and then by rail east. The bulk of colonial exports to the United States is now carried by sailing vessels direct.

Is the Southern Pacific and its connections now, or likely to be, available as a fast-mail route to New York in winter seasons, to escape snow blockades and detentions through stress of weather?

I trust I am not trespassing too greatly upon your time to request you to reply to these queries, which have been suggested in part by my official instructions and by my knowledge of the requirements of the colonial trade.

Before proceeding to the East it is desirable that I should be as fully informed upon these and cognate points as possible.

A. N. Towne, Esq.,
General Manager, C.P.R.C., San Francisco.

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

Enclosure 2 in No. 15.

Mr. ZILLMAR to Mr. CREIGHTON.

SIR,—

San Francisco, 7th March, 1883.

I have yours of the 5th to Mr. Towne, who is now absent from his office on account of illness, but is expected to return early next week.

If convenient, I would be pleased to meet you at my office next Friday or Saturday, between the hours of 10 a.m. and 3 p.m., to talk with you on the subject referred to.

I have, &c.,
Robert J. Creighton, Esq.,
Agent, New Zealand Government, San Francisco.

J. A. ZILLMAR,
General Superintendent.

Enclosure 3 in No. 15.

MEMORIAL from the BOARD of TRADE, San Francisco.

FOLLOWING are the memorial and resolutions from the San Francisco Board of Trade relative to the San Francisco and New Zealand mail service. The resolutions were adopted by the California Legislature, and transmitted by His Excellency the Governor as requested:—

“To the Honourable Legislature of California: The Committee appointed by the Board of Trade of San Francisco to take action upon the maintenance of the mail steamship line from this port to New Zealand and Australia, asks your attention to the necessity for favourable and prompt action on the part of your honourable body in this important matter.

“The contract for the carriage of the Australian mails *via* this port expires in November next, and it is not likely to be renewed unless some interest therein be evinced by your honourable body in an effort to secure partial payment for the carriage of the mails by our Government.

“It is neither just nor proper that our ocean mail service should be entirely maintained by the goodwill of our colonial neighbours when we derive an equal benefit therefrom.

“The termini of other continental railways outside of our State will offer inducements for the transfer of the service, and we should not permit our State and city to lose the benefit of the commercial facilities and increasing tide of travel brought to our shore by this mail steamship line.

“Therefore your memorialists pray that the Honourable Legislature of the State of California will take such favourable action on this important matter as their wisdom may suggest. And your memorialists will ever pray.

“JACOB S. TABER, President.

“HENRY L. SMITH, Secretary.

“WILLIAM L. MERRY, Chairman.

“And C. J. DEMPSTER and JAS. A. FOLGER, Members of Special Committee of Board of Trade of San Francisco.”

San Francisco, 21st February, 1883.

Enclosure 4 in No. 15.

The foregoing memorial was accompanied by the following joint resolution, prepared by the Special Committee of the Board of Trade:—

Whereas the line of mail steamships covering the route between San Francisco and New Zealand and Sydney, New South Wales, *via* Honolulu, has been of great advantage to our country, and especially so to the Pacific coast thereof; and whereas this steamship line has been maintained mostly by the assistance of payments made by the above-named colonies for carrying the mails, the contracts for such payments terminating in November next; therefore be it *Resolved*, That this Legislature urges upon Congress the necessity, in the interest of American commerce, and as a matter of equity to our colonial neighbours, who have thus far borne the expense of this mutually beneficial mail service, of assisting in its maintenance by such liberal payment for the carriage of the New Zealand and Australian mails as their wisdom may suggest, having in view the benefit we receive from the regular commercial intercourse afforded thereby, as well as by the increasing tide of travel from the colonies through our country to Europe.

Resolved, That His Excellency the Governor be requested to transmit the foregoing preamble and resolution by telegraph to the President *pro tem.* of the United States Senate, and Speaker of the House of Representatives, for immediate action thereon by Congress.

Enclosure 5 in No. 15.

[Copy of Despatch.]

Senator John F. Miller, Washington, D.C.

CALIFORNIA Legislature just adopted concurrent resolutions emanating from Board of Trade, praying Congress to provide for continuance Australian mail service *via* San Francisco, which the Governor will transmit by telegraph to President, Senate, and Speaker House of Representatives. Please take matter in charge at once as urgent, the service expiring next November.

JACOB S. TABER, President, Board of Trade.

WILLIAM L. MERRY, Chairman, Postal Committee.

No. 16.

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

SIR,—

San Francisco, 5th April, 1883.

I have the honour to acknowledge receipt of letter enclosing cable cypher, which I shall use only should occasion require. I shall endeavour to use the press telegraph system as much as possible, as suggested in your private letter.

After considerable but unavoidable delay, I have had an understanding with the Central Pacific Railroad officials on the question of a fast mail. Owing to the grade on their road it will be impossible to accelerate the speed between Sacramento and Ogden, but the company are prepared to speed it specially should the mail steamer arrive after the departure of the overland train. This has been done by it on several occasions. I found every disposition on the part of this corporation to meet the views of the New Zealand Government, and the commercial advantage of the colonial trade to this coast is fully understood and appreciated by its heads of departments.

Upon going thoroughly into the question with the General Superintendent, I am satisfied that the Southern Pacific is not available for postal purposes as an alternative route. It is too long a journey to New York *via* New Orleans, and there is not presently any rapid ocean transportation from that city to England. In time this may be developed.

There is a chance, however, of shortening the time materially between Ogden and Omaha, which I shall inquire into on my way East, at the suggestion of the Post-Office authorities and the railroad management. The Burlington Railroad will make connection with the Central Pacific at Ogden in a few days, and will run in competition with the Union Pacific between that point and Council Bluffs or Omaha. It may be induced to run a fast train with the New Zealand and Australian mail every month for the sake of the passenger traffic which it would attract. Should the Burlington Railroad management be willing to do this, I propose requesting the Postmaster-General to issue instructions to send the mail by that route, instead of by the Union Pacific, which travels slowly. I have been informed, however, by the General Superintendent of the Union Pacific, through his General Passenger Agent, that there will soon be a saving of six hours on the time between Ogden and Omaha.

There are other detentions on the mail route east of Omaha, by reason of which a passenger gets through to New York twelve hours ahead of the mail. Why this should happen cannot be explained here by the Superintendent of the Railway Mail Department, who has afforded me every facility for acquiring information in his office, besides issuing instructions to the postal officers on the road to render what assistance they could, should I require it.

I propose leaving for Washington on Saturday, and will endeavour to obtain a remission of the \$80,000 yearly railroad charge, and a promise from the Government that they will support a subsidy for the Australian mail service next Congress. Although I am not quite sanguine on the matter, I think the probability of success is fair. Senator Fair and other members of Congress to whom I have spoken are favourable to the proposal. I have procured a tabular statement of correspondence originating in this country for Honolulu and the colonies carried by the Australian mail steamers, which demonstrates the very great importance of the service to this country.

I regret that Postmaster-General Howe died very suddenly a few days ago. He understood the question. His successor has been appointed from Indiana, but I have no knowledge of him. However, the permanent heads of the department are well informed, and I anticipate no difficulty from the change.

The detention of the mail at Pittsburg was doubtless caused by the want of a postal contract with the railroad company. The Pennsylvania Central, which appears to have a monopoly of our mail transportation to and from Chicago, is not the fastest or most obliging railroad in the East. I shall, however, represent the matter in the proper department, with the view of preventing its recurrence.

I enclose copy of the new tariff for the information of the Government.

* * * * *

I have, &c.,

ROBT. J. CREIGHTON.

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

No. 17.

The Hon. Mr. DICK to the Hon. Mr. STUART.

Wellington, 16th April, 1883.

WILL anything be done about renewing Fr'isco service before your Parliament prorogues, which I understand takes place in a few days?

The Hon. Alex. Stuart, Sydney.

THOMAS DICK,

Colonial Secretary.

No. 18.

The Hon. Mr. STUART to the Hon. the COLONIAL SECRETARY, Wellington.

Sydney, 17th April, 1883.

INTEND Thursday submit resolution similar effect my letter to you. Will telegraph result on Friday.

The Colonial Secretary, Wellington.

A. STUART,

Colonial Secretary.

No. 19.

The Hon. Mr. DICK to the Hon. the COLONIAL SECRETARY, Sydney.

Wellington, 20th April, 1883.

ANXIOUS to learn result last night's debate *re* renewal Fr'isco service. Trust you will not allow prorogation until question definitively settled.

The Hon. A. Stuart, Colonial Secretary, Sydney.

THOMAS DICK,

Colonial Secretary.

No. 20.

The Hon. Mr. STUART to the Hon. the COLONIAL SECRETARY, Wellington.

Sydney, 20th April, 1883.

SUBJECT not reached last night, will probably be to-night. Will telegraph you when finished. Am determined not prorogue until decision one way or other arrived at.

The Colonial Secretary, Wellington.

ALEX. STUART,
Colonial Secretary.

No. 21.

The Hon. Mr. STUART to the Hon. the Colonial SECRETARY, Wellington.

Sydney, 26th April, 1883.

SUBJECT Imperial Government continuing their part, Assembly passed resolutions extending contract two years fifty thousand. This colony's contribution eighteen seven fifty. Optional withdrawal twelve months if America refuses one-third contribution. Acceleration first year twenty-four, second forty-eight hours.

The Colonial Secretary, Wellington.

ALEX. STUART,
Colonial Secretary.

No. 22.

MR. GRAY to MR. GAMBLE.

Wellington, 27th April, 1883.

FOLLOWING telegram received from the Colonial Secretary, Sydney. Postmaster-General would be glad to know whether your company is likely to accept the conditions: "Colonial Secretary, Wellington. Subject Imperial Government continuing their part, Assembly passed resolutions extending contract two years fifty thousand. This colony's contribution eighteen seven fifty. Optional withdrawal twelve months if America refuses one-third contribution. Acceleration first year twenty-four, second forty-eight hours.—ALEX. STUART, Sydney."

Thomas T. Gamble, Esq., Auckland.

W. GRAY,
Secretary.

No. 23.

MR. GAMBLE to MR. GRAY.

Auckland, 30th April, 1883.

PLEASE ask Postmaster-General to pardon my delay in answering despatch of Friday. Saw Premier on Saturday, and have submitted to President of company Sydney's conditions. I do not think they will be agreed to until altered somewhat, especially clause as to time reduction. Gross amount offered will probably be accepted, and will advise you as soon as I receive reply from New York.

W. Gray, Esq., Wellington.

THOS. T. GAMBLE,
Agent, P.M.S.S. Company.

No. 24.

MR. GAMBLE to the Hon. the POSTMASTER-GENERAL, Wellington.

Agency, Pacific Mail Steamship Company,

Auckland, 11th May, 1883.

SIR,—

I have the honour to confirm the following telegraphic message which I sent to you yesterday, addressed to Mr. Secretary Gray: "Please inform Postmaster-General that Pacific Mail Company cabled as follows: 'Proposition is accepted for three steamers at fifty thousand pounds for one year, present schedule time to be reduced twenty-four hours, terminable thereafter should America decline to contribute. If continued, time to be reduced forty-eight hours from present schedule during second year.' Will you kindly advise me if the Government is willing to continue the service on these terms."

Hon. Thomas Dick, Postmaster-General, Wellington.

I have, &c.,
THOS. T. GAMBLE,
Agent.

No. 25.

The Hon. Mr. DICK to the Hon. Mr. STUART, Sydney.

Wellington, 10th May, 1883.

Is it clear that if the American Government grant contribution to Frisco line the colonies get the benefit?

Hon. A. Stuart, Sydney.

THOMAS DICK,
Colonial Secretary.

No. 26.

The Hon. Mr. STUART to the Hon. the COLONIAL SECRETARY, Wellington.

Sydney, 11th May, 1883.

PERFECTLY clear reduction one-half each colony. Company's agents have received from headquarters confirmation of proposals.

The Colonial Secretary, Wellington.

ALEX. STUART,
Colonial Secretary.

No. 27.

Mr. GRAY to Mr. GAMBLE.

SIR,—

General Post-Office, Wellington, 19th May, 1883.

I have now the honour, by direction of the Postmaster-General, to confirm my telegram of the 15th instant (a copy of which I beg to enclose), intimating that the New Zealand Government agreed to a renewal of the San Francisco service in terms of the resolutions approved by the New South Wales Parliament.

In order that the basis of renewal with your company may be clearly understood by all parties, I append copy of the resolutions in question, for your information.*

Thomas T. Gamble, Esq.,
Agent, Pacific Mail Company, Auckland.

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

Enclosure in No. 27.

Mr. GRAY to Mr. GAMBLE.

Wellington, 14th May, 1883.

I AM to inform you that the New Zealand Government agree to the renewal of the Frisco service for the term and on the conditions specified in the resolutions submitted to and approved by the New South Wales Parliament. Letter by mail.

Thomas T. Gamble, Esq.,
Agent, Pacific Mail Company, Auckland.

W. GRAY.

No. 28.

Mr. GRAY to Mr. GAMBLE.

SIR,—

General Post-Office, Wellington, 19th May, 1883.

I have the honour, by direction of the Hon. the Postmaster-General, to acknowledge receipt of your letter to him of the 11th instant; and, in reply, to refer you to my letter of even date notifying the terms on which the New Zealand Government has agreed to the renewal of the contract with your company for the San Francisco mail service.

Thomas T. Gamble, Esq.,
Agent, Pacific Mail Company, Auckland.

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

No. 29.

Mr. GAMBLE to Mr. GRAY.

Agency Pacific Mail Steamship Company,

Auckland, 25th May, 1883.

SIR,—

I have the honour to acknowledge the receipt of your No. 815 E, under date of 19th instant, and your No. 815, of same date, confirming your telegram of 15th instant, intimating that the New Zealand Government agreed to a renewal of the San Francisco mail service in terms of the resolutions approved by the Parliament of New South Wales; and I beg to thank you for the copy of these resolutions, which you were good enough to enclose.

W. Gray, Esq., Wellington.

I have, &c.,
THOS. T. GAMBLE,
Agent.

No. 30.

The Hon. Mr. STUART to the Hon. the COLONIAL SECRETARY, Wellington.

SIR,—

Colonial Secretary's Office, Sydney, 15th May, 1883.

In transmitting to you the accompanying copy of resolutions recently adopted by the Legislative Assembly of this colony regarding the extension of the San Francisco mail service, I have the honour, at the instance of my colleague, the Postmaster-General, to inform you that, if

your Government concurs, the necessary action in regard to the preparation of the formal agreement and bond to be executed by the Pacific Mail Steamship Company and the respective Governments concerned will be undertaken by the Post-Office Department of this colony.

I have, &c.,

ALEX. STUART.

P.S.—I also send you a copy of an official communication from the Agents of the Pacific Mail Company, conveying the telegraphic acceptance of the company to the terms which set to rest your doubts as to their agreeing to the increased speed demanded.—A. S.

The Hon. the Colonial Secretary, Wellington.

Enclosure 1 in No. 30.

MR. WRIGHT moved,—

1. That, subject to the Imperial Government agreeing to continue to convey the mails to San Francisco as heretofore, the contract between the Colonies of New South Wales and New Zealand with the Pacific Mail Company be extended for a period not exceeding two years from the expiry of the present contract in November next, at an annual subsidy not exceeding £50,000, of which the portion falling upon this colony shall not exceed £18,750, and subject to the following conditions, namely: That it shall be optional for this colony to withdraw from such extended contract at the end of twelve months, on giving three months' previous notice, in the event of the Pacific Mail Company not having obtained from the United States Government, or from other sources, a contribution equal to one-third of the total annual subsidy for such extended contract, and in diminution of the subsidy. That the service shall be performed with the acceleration upon the present contract-time of at least twenty-four hours on each voyage to and from Sydney and San Francisco during the first year, and during the second year at least forty-eight hours, subject to the same terms, conditions, premiums, and penalties as heretofore; with this exception, that the company be relieved from keeping a fourth steamer, but that such shall not absolve them from the penalties of any failure.

2. That the foregoing resolutions be transmitted by address to His Excellency the Governor.

Enclosure 2 in No. 30.

MESSRS. GILCHRIST, WATT, and Co. to the Hon. the POSTMASTER-GENERAL, Sydney.

SIR,—

Sydney, 9th May, 1883.

We have the honour to advise that we transmitted to the Pacific Mail Steamship Company, New York, the following cablegram: "Parliament approve renewal three steamers fifty thousand pounds one year certain, shortening schedule twenty-four hours. Terminable thereafter America declining. Second year shortening schedule forty-eight." To which we have received reply: "Your proposition is accepted, three steamers fifty thousand pounds one year certain, shortening schedule twenty-four hours. Terminable thereafter America declining. Second year shortening schedule forty-eight." We do not notify New Zealand Government, as our negotiations have been with this Government only, but will notify them if you authorize us to do so.

We have, &c.,

GILCHRIST, WATT, AND Co.,

General Agents for the Contractors, San Francisco
Mail Service.

The Hon. the Postmaster-General, Sydney.

No. 31.

The Hon. Mr. DICK to the Hon. the COLONIAL SECRETARY, Sydney.

SIR,—

Colonial Secretary's Office, Wellington, 4th June, 1883.

I have the honour to acknowledge the receipt of your letter of the 15th ultimo, enclosing copy of a resolution adopted by the Legislative Assembly of New South Wales regarding the extension of the San Francisco mail service, and to inform you that this Government will be glad to leave the preparation of the formal agreement and bond to the Post-Office Department of your colony.

I have, &c.

THOMAS DICK,

Colonial Secretary.

The Hon. the Colonial Secretary, New South Wales.

No. 32.

The Hon. the PREMIER to the AGENT-GENERAL.

Wellington, 30th May, 1883.

AGREED to-day New South Wales for preparing deed renewing Frisco contract two years, terminable one year should American Government decline contribute.

F. WHITAKER.

No. 33.

Mr. CREIGHTON to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Philadelphia, Pennsylvania, 27th April, 1883.

I have the honour to report that, in accordance with your letter of instructions, I proceeded to New York on my way to Washington, for the purpose of consulting with the Pacific Mail Company's directors on the subject of renewing the mail contract, and also with a view of taking joint action when the matter is before the Cabinet.

I had a long conference with Mr. Houston, the president of the company, but he gave me no hope whatever of being able to accomplish anything with the Administration. He had himself abandoned the idea of obtaining either a subsidy or any adequate compensation for carrying the American mail; but he referred me to Mr. Lauterbach, the company's counsel, who took a much more hopeful view of the case. He explained to me at length the position of the subsidy clause of the Shipping Bill, which failed to pass the House last session, and which will be pressed early next session. The ship-building interests of Maine are supporting this measure, and Mr. Lauterbach, who has had the matter in charge for the Pacific Mail Company, anticipates its passing to a certainty. This would settle the question of subsidy, as payment would be made on a liberal scale by the United States Government for carrying its mail by sea. Mr. Lauterbach is prepared to come to Washington to press the matter on the Administration; Secretary Chandler, of the Navy Department, being friendly to the company.

The points of my conference with Mr. Houston regarding the service are these: The Pacific Mail Company was prepared to make the service a twenty-six day service between the terminal ports of San Francisco and Sydney, conditioned upon this: that no penalty should be imposed if the mail was delivered inside twenty-seven days, and no bonus given unless it was delivered within twenty-five days. £52,500 was the lowest figure for the service the company would accept, which offer you have before you on behalf of the company.

Mr. Houston likewise stated that he was prepared to contract for a direct service to New Zealand only, with three boats, making Auckland the terminus, for £40,000 a year. This would only be £7,500 a year more than the colony would require to pay under the proposed joint arrangement with New South Wales, assuming that it contributed £20,000 a year, and New Zealand £32,500 as at present, and there would be decided commercial advantages to the colony which would not arise were Auckland only a way-port and Sydney the terminus. Mr. Houston states that three boats would be needed to perform the service, whether Auckland or Sydney is the last port of call. The company would also credit the colonies with any payment from the United States Government in excess of what it now receives for ships letters.

Mr. Houston also promised, should the contract be renewed, to urge upon the railroad companies the necessity for reducing the time across the continent by at least a day. I have had interviews with the railroad people at Chicago, and I found them all well disposed; but Congress failed to make an appropriation for accelerating the mail service last session, and it is not probable that the time will be reduced under six days' transit before it again meets in December next. I shall endeavor to bring pressure to bear upon the Government in this matter on my return to the Pacific Coast, because it is through the business interests of that section of the country that the Administration may be moved to action.

The sudden death of Postmaster-General Howe, and the appointment of Judge Gresham in his place, somewhat deranged my plans, and I deemed it prudent to enlist the services of the New York and Philadelphia Press in support of my mission. In this I have been successful, having not only received the expression of their cordial sympathy, but in the case of the New York *Times* considerable space was devoted to the New Zealand mail service, in a published interview which I herewith attach. I availed myself of that opportunity for presenting the case of the New Zealand mail service in a strong light before the American people and the Administration. The New York *Times* is the leading Republican organ of the country. I am also in a position to say that the New York *Sun*, the leading Democratic paper of the United States, will take a friendly view of my proposal to remit the entire land transportation charge in consideration of the ocean-carriage of the United States mail. I informed Mr. Houston that the New Zealand Government considered the remission of this charge as an indispensable condition for a continuance of the mail service, and I shall press the point upon the Administration, to members of which I have strong letters from Senator J. P. Jones and other prominent gentlemen.

I delayed going to Washington until the President's return from Florida at the suggestion of Mr. Houston. As he is now at the capital, I shall proceed there to-night.

I have arranged with the associated press to cable the result of my negotiation to London as news, so that you may be early informed of the result in that way.

I have, &c.,

ROBT. J. CREIGHTON.

The Hon. the Postmaster-General, Wellington, New Zealand.

No. 34.

Mr. GRAY to Mr. CREIGHTON.

SIR,—

General Post-Office, Wellington, 15th June, 1883.

I have the honour to acknowledge the receipt of your letter of the 27th April last, and the clippings enclosed from New York papers, on the renewal of the San Francisco mail service, and also of your telegram of the 24th May on the same subject. The Postmaster-General has noted the points of interest in the letter and also your proposed action, and is obliged to you for the clippings. The telegram, however, I am sorry to say, is not intelligible as it was received. By the next mail I will send you the usual printed papers, prepared for Parliament, on the service, in which you will be fully informed of the result of the negotiations for the renewal, and of the ultimate decision in the matter.

I have, &c.,

W. GRAY,

Secretary.

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

