

The same day I cabled to Wellington: "San Francisco, 10th September, 1890.—Postal, New Zealand.—Postmaster-General replies proposal submitted Congress. Awaits authority to act. Hopes comply request."

And I acknowledged the receipt of the Washington advice by wire as under: "10th September, 1890.—Thanks for your reply. Have cabled the substance to New Zealand.—ROBT. J. CREIGHTON, Agent New Zealand."

On the 14th I received the following cable from Wellington, informing me that the service would be continued: "Wellington, 14th September, 1890: To Creighton, San Francisco.—House approved renewal Frisco twelve months. Sydney urged contribute £10,000, retaining Australia postages. McLean wishes Spreckels advised." This was done. I furnished Mr. Spreckels with a copy of this cablegram, who issued a time-table for 1891, and notified passenger-agents abroad of the continuance of the service.

I regret that no progress has been made in the House of Representatives with the Postal Subsidy and Shipping Bounty Bills. This is caused by the absence from Washington of Republican Congressmen, which prevents the Administration Party carrying its measures. A call of the House, however, will be made, and the legislation of the session completed. I have every assurance that the Subsidy Bills will pass; also that the joint resolution reported from the Postal Committee authorising the Postmaster-General to contract for the transportation of the closed Australian mail across the American Continent at reduced rates will pass both Houses. A joint resolution has the effect of a Bill. The following press despatch shows the status of the resolution: "Washington, 12th September. Chairman Bingham of the Post Office Committee to-day introduced in the House a joint resolution to authorise the Postmaster-General to transport the Australian closed mail from San Francisco to New York for Great Britain at reduced rates in order to secure the co-operation of the colonies in continuing, after November next, a direct mail-service between San Francisco and Auckland and Sydney, now subsidised by New Zealand and New South Wales."

The Tariff Bill passed the Senate with amendments, and is now before a Conference Committee. The Senate added binder-twine to the free list. Should the House accept this amendment it would enable New Zealand to manufacture and export binder-twine to this country as well as flax. There is no doubt that flax will be free under the new tariff.

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

I have, &c.,
ROBT. J. CREIGHTON.

No. 31.

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

Union Steamship Company of New Zealand (Limited),
Dunedin, 18th October, 1890.

SIR,—

I have the honour to formally accept, with one reservation, the terms offered by the House of Representatives, in the resolutions passed on the 13th September last, for a renewal for twelve months of the San Francisco mail-service. The reservation I allude to is the provision in paragraph (a) of resolution 3 for one-half of the cost of transit of Homeward mails from San Francisco to New York to be borne by the contractors if not paid for by the American Government. I am hopeful, however, that, if sufficient pressure is kept upon the latter, there will be no need of either the New Zealand Government or the contractors being called upon to bear a moiety, as I see a joint resolution is under the consideration of the American Legislature for the American Government to undertake the cost of land-transport.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

D. MILLS,
For Managing Director.

No. 32.

Mr. GRAY to Mr. CREIGHTON, San Francisco.

General Post Office, Wellington, 22nd October, 1890.

SIR,—

I have the honour to acknowledge receipt of your letter of the 19th ultimo, embodying copies of telegrams which had passed between yourself, the Postmaster-General of the United States, and the Hon. Mr. Mitchelson in regard to the question of the transit charges on mails between San Francisco and New York, and reporting upon the position of the Shipping Subsidies and Tariff Bills under consideration of the American Legislature.

I have, &c.,

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

W. GRAY, Secretary.

No. 33.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

General Post Office, Wellington, 23rd October, 1890.

SIR,—

I have now the honour to forward copy of the telegram sent on the 13th instant, advising you that this colony had succeeded in renewing the San Francisco mail-service for another twelve months, and requesting that you would be good enough to advise the other colonies of the fact, and to direct them to account to this department for the conveyance of their mails. The colonies will be liable for the payment for conveyance of the outward mails only, at existing rates,