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policy, and this disposition I respectfully submit entitles it to friendly consideration by the Postmaster-General and Congress, when finally passing upon the question of postal and commercial

intercourse with the Australian Colonies.

The facts stated regarding the terms of payment for railroad charges in the United States bear out the tenor of my despatches to the Postmaster-General on the same subject last September, and show the necessity for an early passage of the joint resolution reported favourably to the House of Representatives by the Postal Committee before adjournment last session, and authorising the Postmaster-General to make special terms for railroad transportation of the Australian mail. Having detached all the Australian Colonies from the American mail-route and reduced the postages between England and the colonies one-half, the cost of railroad transportation in America is then used to force New Zealand to withdraw, and thus break down the service wholly, after an experience of twenty years, during which American trade with Australasia has been greatly developed. or twenty years, during which American trade with Australasia has been greatly developed. It now rests wholly with Congress to place the service on a permanent basis, and so preserve and extend the profitable trade which the United States now possesses. A discontinuance of the direct Australian mail would be to cut off American manufacturers from a market which is capable of great and profitable extension.

 $ar{1}$ have, in conclusion, to request that you will bring this subject before the ${f H}$ on. the

Postmaster-General at your earliest convenience.

Yours, &c.,

ROBT. J. CREIGHTON, Agent, New Zealand Government.

Hon. N. M. Brooks, Superintendent, Foreign Mails, Washington, D.C.

Enclosure 2 in No. 46.

The Superintendent, Foreign Mails, Washington, to Mr. Creighton, San Francisco.

Post Office Department, Office of Foreign Mails, Washington, 2nd December, 1890.

Sir,—

I have to acknowledge the receipt of your letter of the 19th ultimo, enclosing a copy of a resolution adopted by the New Zealand Legislature authorising the New Zealand Government to contract for an extension, for another year, of the direct mail service to San Francisco, and pointing out the importance of the United States Government taking early action with a view to putting that service on a permanent basis.

In reply, I have to inform you that the Postmaster-General has carefully read your letter as well as the resolution enclosed therein, and will use every effort to secure favourable action by Congress upon the several measures now before that body with his approval, looking to legislation

which will give him authority to adopt the necessary measures to secure the end in view.

Of the nature of those measures you have been advised by previous correspondence, and it is only necessary, therefore, for me to call your attention to the recommendation of the President (under the heading "Mail Subsidies for Steamships—Prompt Legislation urged") in his annual message to Congress published yesterday, to assure you that the importance of the matter is fully appreciated by the President as well as by the Postmaster-General.

I am, &c., N. M. Brooks,

Superintendent, Foreign Mails.

Robert J. Creighton, Esq., No. 327, Market Street, San Francisco, California.

Enclosure 3 in No. 46.

Messrs. Spreckels and Brothers, to Mr. Creighton.

San Francisco, 26th November, 1890. DEAR SIR,

We have received notice from the Union Steamship Company of New Zealand, by cable and letter, that the December mail from the colonies will be despatched by the "Monowai," one of that company's ships. We have not received official or other notification from the New Zealand Post Office Department of the contemplated substitution of the "Monowai" for the "Zealandia," which we despatched in good faith with the October mail on the 15th instant, and expected that she would bring back the December mail as scheduled.

If we had had notice from your Government that it was intended to displace one of our ships we should probably not have despatched the "Zealandia" under the new arrangement; but we did so in good faith, and must regard such substitution, if accomplished, as a breach of honourable busi-

ness obligations such as we had no reason to anticipate.

We have protested by cable to the Union Steamship Company against the sailing of the "Monowai" with the December mail, and beg to enter our protest to the same effect with you as the representative of New Zealand at this place, and have to request that you communicate the same to We are, &c., your Government. J. D. SPRECKELS AND BROS.

Robert J. Creighton, Esq., Agent, New Zealand Government, San Francisco.