

From that letter you will see that, in the absence of specific legislative authority to that end, the Postmaster-General is powerless to comply with your suggestion, however much he might be inclined to do so if he were at liberty to act in that direction.

The Postmaster-General, &c., Wellington.

I have, &c.,  
N. M. BROOKS,  
Superintendent of Foreign Mails.

### No. 70.

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

SIR,—

San Francisco, 12th November, 1891.

I have the honour to acknowledge the receipt of your letter of the 8th October, informing me of the action of the House of Representatives upon the resolutions by the Hon. Mr. Ward relative to the renewal of the California mail-service, also the debate in Parliament upon this motion.

I read the debate with a great deal of interest, and was pleased at its general favourable tone. It is to be regretted, however, that, owing to the action of the Imperial Post Office authorities, Mr. Ward's policy of fixing the service for three years certain cannot be carried into effect, as it would have given the contractors an assurance that for that period at least there would be no further reduction in the payment for carrying the mail. Everything is now in a most unsatisfactory position, owing to this vital change of programme in the colony, and to the uncertainty regarding the action of the American Postmaster-General on the new service.

As you are aware, Messrs. Spreckels did not tender for a fortnightly service, because it could not be worked in with the four-weekly service approved by the New Zealand Parliament. They tendered for a service similar to that which you have adopted, and this tender was rejected as being outside the law. Another offer has been made to continue the line upon the same terms as 1891; but up till to-day no reply has been received from Washington, as I am informed.

This leaves the service in a very loose position. Meantime the "Alameda" sails on schedule date, the Atlantic steamer having made port early on Saturday; and no doubt the vessels will continue to be despatched as advertised, pending a final understanding with Mr. Wanamaker. Should, however, that gentleman limit payments to the reduced postages, as the law requires, it will deprive the contractors of more than \$30,000; and this, with your reduced payments, would certainly not provide reasonable compensation for the service rendered. I am not without hope that a temporary arrangement will be come to which will enable the contractors to continue the service.

It is quite clear to my mind that the London office has steadily pursued a policy to embarrass the American service, while nursing the Canadian scheme; and the economical policy of the colony, combined with the course pursued by the United States Congress, has all but rendered it successful, when, if the American ships are withdrawn, a clear way would be open for a Canadian line. As this, however, would rather injure than benefit New Zealand—cutting it off from the American market, which is becoming of greater value almost daily to your producers—and inasmuch also as the American mail route is unquestionably the best for New Zealand, it is difficult to understand why such a policy should be deliberately adopted and steadily pursued.

You also enclose copy of cables which passed between the Postmasters-General of New Zealand and the United States on the subject of overland-transit charges, and "urge me to bring every influence I can bear upon the authorities at Washington, in order that the eminently reasonable request of the colony for the reduction of the transit charges may be accepted."

The colony, having entered the Postal Union, should not, I think, be bound by the special contract between Great Britain and the United States; and I shall take an early opportunity of urging this point should the direct correspondence of Mr. Ward not accomplish what he seeks.

For the present, however, I do not think it is in the interest of New Zealand to make a rupture with the United States, however strong its case, for the reason that its money-payments and loyalty to the American connection have been urged as a claim for special consideration in overtures that have been made to the Secretary of State for reciprocal trade, which, if successful, would be of enormous advantage to the colony. Correspondence on this subject is forwarded by the "Alameda" to the Premier. Should the United States put New Zealand half-bred wool, coal, and fruit on the free list, the question of a postal subsidy would be a secondary consideration.

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

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

### No. 71.

Mr. GRAY to Mr. CREIGHTON, Resident Agent for New Zealand, San Francisco.

SIR,—

General Post Office, Wellington, 22nd December, 1891.

I have the honour to acknowledge the receipt of your letter of the 12th ultimo, on the subject of the renewal of the San Francisco service, and the action of the Imperial and the American Governments in relation thereto.

The position of the matter has not changed here since I wrote you on the 5th ultimo. No doubt you have already undertaken further representations on the question of the reduction of the territorial rates; and I hope that your efforts may obtain an abatement in the charges.