

5. This Chamber desires to protest in the most emphatic manner against the abandonment of the Australian service as a mail and commercial route to the Antipodes, in favour of the Canadian Pacific Company, which has already diverted so large a proportion of the Orient trade from San Francisco to its subsidised and protected steamship and railroad system; and it desires to impress upon Congress the absolute and imperative necessity for appropriating a sum sufficient to maintain an exclusively American mail, freight, and passenger service in competition with a subsidised British rival. The Canadian Pacific Company receives \$400,000 a year for a four-weekly service between Vancouver and Hong Kong, and has the assurance of an equal sum for a similar service to Australia, powerful steamships for the performance of which are now being built. If, therefore, an American line is to be maintained, it must be placed on a financial footing to compete, on equal terms, with the subsidised British line, as it cannot look for any money-aid from the Australian Colonies, or to be employed carrying their mail after an exclusively British route has been established.

6. That the statistics of foreign commerce issued by the United States Treasury Department show the value and importance of the Australian trade to this country. For 1890, the exports and imports to and from Australasia aggregated \$15,864,493; in 1891 they were valued at \$20,972,493, an increase of \$5,118,005, or nearly 33 per cent. During 1891 American exports to Australasia aggregated \$13,564,921; imports from Australasia, \$7,407,577, showing a trade balance in our favour of \$6,157,344, or nearly one-third of the total volume of business. An abandonment of the direct Australian mail-service from San Francisco by American ships (which is inevitable, unless Congress makes a sufficient appropriation to maintain it on an equality with the Canadian service as to speed and class of vessels) would be a virtual abandonment of this large, profitable, and growing trade with Australia to Great Britain, which is precisely what the British Government has been striving to bring about by its postal policy for the past dozen years.

7. The report of the Postmaster-General for 1891 also shows the importance of the Australian service for postal purposes. Of correspondence originating in the United States, the Oceanic Steamship Company carried to Australia and New Zealand in 1891, 3,793,787 grammes letters, or 8,365lb., and 100,145,800 grammes (220,821lb.) prints, for which the United States paid \$51,000 compensation, and \$171.94 for inward carriage of 285lb. of letter-mail from Australia to San Francisco. This compensation is wholly inadequate for the service rendered. If the Oceanic Company's steamers are withdrawn from the Australian route, as they must be unless Congress appropriates an adequate sum to sustain the service on an independent American national basis, all this correspondence must be sent *via* England and the Red Sea, as already stated, or *via* Vancouver and the Canadian route, thereby paying toll to our commercial rivals, and placing the United States under the necessity of employing foreign ships to transport its mail to Australia.

8. This Chamber therefore feels it incumbent upon it to respectfully, but firmly, press upon Congress, as a matter of urgency, the necessity for appropriating such sum as shall insure the continuance of the American mail-service to Australia by the Oceanic Company's ships, and take such further measures as may insure its permanence and the extension of American commerce on the Pacific Ocean.

No. 68.

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

Post Office and Telegraph Department, General Post Office, Wellington,

31st August, 1892.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 20th ultimo, enclosing copy of the memorial of the previous day, from the San Francisco Chamber of Commerce to Congress, on the subject of the Australian mail-service, which I duly submitted to the Hon. the Postmaster-General.

The decision of Congress on the appeal now put forward will be looked for with interest. The Postmaster-General hopes that it will be favourable, the more so as Congress has now an additional stimulus to action on its own behalf in the fact that the Imperial Government has decided to still further reduce its contribution in aid of the San Francisco service. On the 15th instant the Agent-General received a letter from the Post Office declining to renew the San Francisco apportionment except on a strict Postal Union basis. This means that, instead of paying 12s. per pound on letters only for conveyance of its mails from San Francisco to Auckland, Great Britain will pay 3s. 8d. on letters, and about 3d. on other articles, per pound.

The reduction, of course, affects the contractors solely. Had it been in operation last year the contractors would have received, it is estimated, £1,975 less than they did. The Agent-General has been requested to protest, and there is hope of his being successful, but, of course, the chances of failure must be counted on in any consideration of this question.

R. J. Creighton, Esq.,

Resident Agent for New Zealand, San Francisco, California.

I have, &c.,

W. GRAY, Secretary.

No. 69.

The SUPERINTENDENT of FOREIGN MAILS, Washington, to the Hon. the POSTMASTER-GENERAL, Wellington.

Post Office Department, Office of Foreign Mails, Washington, D.C.,

6th October, 1892.

SIR,—

Referring to your reply, under date of the 6th ultimo, to this department's letter of the 20th June last, relative to the method of settling for the United States intermediary transit charges