

on the closed mails from New Zealand for destinations beyond the United States, I have the honour, by direction of the Postmaster-General, to inform you that due notice has been taken of your statements—(1) That your Administration will settle the charges for both the United States territorial and sea conveyance of the closed mails in question despatched on and after the 1st October, 1891; (2) that preparation will be made for the settlement of the charges on the closed mails despatched on and after the 1st January, 1893, upon the basis of the international transit statistics to be taken in November, 1893; and (3) that the net weights of the closed mails from New Zealand for Vancouver will be advised in the letter-bills of the mails for the office of San Francisco.

I am, &c.,

N. M. BROOKS,
Superintendent of Foreign Mails.

The Postmaster-General, Wellington, New Zealand.

No. 70.

Mr. CREIGHTON to Mr. GRAY.

SIR,—

San Francisco, 9th December, 1892.

I enclose herewith copy of letter addressed by me to Mr. Brooks, Superintendent of Foreign Mails, in reference to the present status and future prospects of the Californian mail-service, which I hope will meet with approval. I also enclose extract from President Harrison's annual message to Congress, in which reference is made to the American merchant navy, and the necessity for providing sufficient subsidies to maintain American postal routes. As you will perceive from this extract, Mr. Harrison alludes to the projected Canadian Australian service, and in my communication to the Washington Postal Department I have likewise adverted to this project, which has been indirectly promoted by American indifference and greed. I shall take further steps to have this matter brought before the Postal and Commerce Committees should there be hesitancy on the part of the Postmaster-General to present my letter and support it.

In one respect it is unfortunate that the Administration is retiring in March, because Congress will transact as little business as possible during the short session, and unless an extra session were called the new Congress would not meet until the first Monday in December, 1893. Meanwhile the service might collapse. The chances in favour of an extra session are good, although politicians do not approve of it; but the condition of the Treasury, and the collapse of the International Monetary Convention, which is now practically assured, may render it imperative upon Mr. Cleveland to convene Congress before the statutory time. The people also expect tariff amelioration as speedily as possible, and I anticipate that at all events the Free Wool Bill will pass. It is now before the Senate.

I also enclose copy of correspondence with the local Post Office regarding the loss, by fire, of a portion of the Australian mail by the "Mariposa," which was brought to my attention by the following despatch, dated Chicago, 17th November:—

"Superintendent Montgomery to-day received information about a lot of foreign mail which has been missing, and causing some trouble. A storage-car attached to the train from San Francisco to Chicago, with domestic and Australian pouches, was destroyed by fire near Wells, Nevada, on 28th October. The investigation shows that all but one bundle of mail from Brisbane and Adelaide was destroyed, together with much domestic paper-mail. New Zealand, Melbourne, Launceston, and Sydney mails were recovered, and have been forwarded."

The accompanying correspondence throws some further light on this accident. The Postmaster of San Francisco, General Backus, also sent Mr. Cooper, the despatching foreign-mail clerk, to explain matters further. It appears from Mr. Cooper's statement to me, that the entire closed mails for England &c., had been checked direct from the ship to the train, and were placed in the regular mail-car. These went through without loss or detention, and were shipped at New York by the regular outgoing steamer. The pouches lost were made up of correspondence addressed to places in America and Canada, which had come in the bags addressed to the local office here and was trifling in quantity. No registered letters were among these, and one of the pouches only contained way-bills, so far as he remembered. The New Zealand and Australian mail for Europe was intact. The car, with its contents, was entirely consumed, and so rapid was the spread of flames that it was with the utmost difficulty that the man who was in it was saved.

A decision has been rendered by the Court of Claims, at the suit of the Pacific Mail Company, for \$118,583 against the United States Post Office Department, and the claim has been referred to the Postal Audit Office to compute the exact amount due for additional compensation for conveying the United States mail to Australia from 9th October, 1875, to 26th September, 1885. The Court held that the company was entitled, under the statutes, to the entire sea and inland postages, *plus* the postage of the receiving country when charged, but ruled that the statute of limitations barred the payment of any claim prior to six years from the filing of the demand. I have only seen the telegraphic summary of this ruling, but I think it governs to some extent the question of payment by the United States since 1885. This decision is generally important, because it will prevent the Washington department from fixing an arbitrary amount, without reference to the law, as compensation for ocean-mail transportation in future. The Australian service has suffered greatly from persistence in this policy by every Administration up to one year ago.

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Owing to delay on the Atlantic passage, the "Monowai" cannot get away before Saturday.

I have, &c.,

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

ROBT. J. CREIGHTON.