

tracting colonies in reduction of steamship subsidies; and from 1891 up to the present time the yearly payment has been fixed at \$60,000, all of which goes to the contractors, who receive no colonial subsidy. During the same period, New Zealand has paid in subsidies, gratuities, &c., between three and four million dollars, and New South Wales about two million dollars additional. These large sums were expended by the Governments named for the purpose of establishing a short mail-route to England *via* San Francisco and New York, and at the same time opening and maintaining direct commercial intercourse with the United States, which did not reciprocate. It was not slow, however, to avail itself of the postal and commercial facilities provided by the enterprise of the British communities named above, without paying anything like the legal earnings of the steamships for conveying its large and important mail, while making, at the same time, a revenue out of the colonies and Great Britain in excess of its total disbursements for sea-postages in the shape of territorial transit-charges, to which reference has already been made.

This policy on the part of the United States is solely responsible for the existing unsatisfactory condition of the Australian service, and for its impending collapse, which menaces American trade in the South Pacific—a trade which practically owes its existence to the direct mail line of steamships from San Francisco to Sydney. The volume and value of this trade can be ascertained by reference to the statistics of foreign commerce, published by the Treasury Department, for the fiscal year ended 30th June, 1892. These statistics show that the value of American domestic exports to Australia during 1891-92 was \$11,386,667; merchandise imports, \$8,492,306; total, \$19,878,973; balance in favour of American trade of \$2,894,361.

Compared with any South American country this exhibit discloses a far larger volume of trade, except in the case of Brazil; and American exports to Australia come within \$3,000,000 of the year's export to Brazil, while the balance against the United States in the Brazilian trade on the year's transactions was \$104,343,834.

The Australian trade of the United States for the year in question was in excess of American trade with all African countries combined; and the exports of American domestic merchandise to Australia and New Zealand in the last fiscal year exceeded the combined export of domestic products to China and Japan by \$2,926,204, the balance of trade with China and Japan being also largely against America.

But this is not all. During 1891-92 Australia sent \$8,913,024 in gold coin and bullion to San Francisco, or 12·80 per cent. of the total imports of gold and silver, and drew no coin in return; whereas the net export of gold and silver coin and bullion to South and Central America, Hong Kong, Japan, and China for the same period was \$9,617,464, an amount somewhat in excess of the net gold imports from Australia.

These figures demonstrate the present importance of Australian trade to the manufacturers and producers of the United States. This trade is only in its infancy; that is, it has not been developed, because the imports and exports of Australia aggregate in excess of \$600,000,000 per annum, and the ratio of American trade to this total is unnecessarily low. If the United States were to follow the example of England with its ocean postal routes, and pay a postal subsidy to an American steamship line to enable it to compete upon equal terms in respect of tonnage, speed, and equipments with the British lines to Australia and New Zealand, and the projected Canadian-Australian line, for a sufficient term of years, American trade with Australia might be easily trebled within that period, while the vast stream of travel between England and South Pacific countries would be largely diverted to the San Francisco route, to the great benefit of American trade and industries.

Might I request that you would do me the favour, after perusal of this communication, of submitting it to the Postmaster-General for his consideration, in the hope that he may deem it expedient to refer it to the proper Congressional Committees, together with such comments and recommendations as he may be pleased to make thereon. The urgency of the case is my excuse for troubling you with this long communication and closing request.

I have, &c.,

ROBT. J. CREIGHTON,

Hon. N. M. Brooks, Resident Agent, New Zealand Government.
Superintendent, Foreign Mails, Washington, D.C.

Enclosure 2 in No. 70.

Mr. CREIGHTON to the POSTMASTER, San Francisco.

DEAR SIR,—

San Francisco, 26th November, 1892.

A few days ago a telegraphic despatch from Chicago was published, intimating that a fire in a storage car near Wells, Nevada, had destroyed a portion of the Australian mail *ex* "Mariposa," and that the New Zealand, Melbourne, Launceston, and Sydney mails had been recovered and forwarded.

The Adelaide and Brisbane mail was reported destroyed, together with much domestic paper-mail.

Could you kindly inform me whether there was any detention in forwarding the "recovered" portion of the mail; whether it was injured, and if so to what extent; also particulars regarding the "destroyed" portion, together with the origin of the fire so far as may be known to the department.

If necessary to telegraph to Chicago I would thank you to inform me also, as I desire to report to the New Zealand Government per "Monowai."

Respectfully yours,

Hon. Samuel W. Backus,
Postmaster, San Francisco, California.

ROBT. J. CREIGHTON,
Resident Agent for New Zealand.