No. 19.

The Hon. Mr. SUTTOR to the Hon. the POSTMASTER-GENERAL, New Zealand.

(Telegram.)

Sydney, 21st February, 1881.

Expressed my views in letter dated 17th instant, not yet received by you. Does United States Post Office still require that we stipulate to continue the service after expiration of present contract? F B. SUTTOR,

Postmaster-General, Wellington.

Postmaster-General.

No. 20.

The Hon. Mr. Hall to the Hon. the Postmaster-General, Sydney

Wellington, 22nd February, 1881. (Telegram.) Your letter of 17th cannot reach me for some days. Fr'isco mail will have left before receipt. United States Post Office still requires stipulation service be continued after expiration present contract. JOHN HALL,

Postmaster-General, Sydney

Postmaster-General.

No. 21.

The Hon. Mr. Suttor to the Hon. the Postmaster-General, New Zealand. (Telegram.) Sydney, 26th February, 1881. This Government will not make any stipulation to continue Fr'isco mail service after expiration of

present contract, as requested by United States Post Office.

F B. SUTTOR,

Postmaster-General.

Postmaster-General, Wellington.

No. 22.

Mr. Gray to the Superintendent of Foreign Mails, Washington.

SIR,—
Post Office and Telegraph Department, Wellington, 28th February, 1881.

Adverting to my letter of the 24th ultimo, in reply to yours of the 16th December last relative to the decision of Congress authorizing the Postmaster-General of the United States to remit in favour of the Colonies of New South Wales and New Zealand a portion of the transit charges on Australian and New Zealand closed mails, I am directed by the Postmaster-General to state that he is not yet in possession of the views of the New South Wales Government on the matter, nor will a reply be to hand prior to the departure of the present outgoing San Francisco mail. cisco I have, &c., W GRAY, The promised reply cannot therefore be sent you until next mail.

The Superintendent of Foreign Mails, Washington, D.C.

Secretary

No. 23.

The Hon. Mr. Suttor to the Hon. the Postmaster-General, New Zealand.

General Post Office, Sydney, 17th February, 1881.

I beg to acknowledge the receipt of your communication, dated the 20th ultimo, covering copy of a letter received by you from the Washington Post Office, relative to the transit charges levied by the United States on Australian mails conveyed between San Francisco and New York, and to inform you, with reference to the third paragraph of your letter, that the representative of your colony at the Conference, Mr. Dick, had left Sydney before your communication was received, which prevented my having a personal conference with him, as you suggested.

With regard to the second and fourth paragraphs, this department has received a communication from Mr. Blackfan, of the Washington Post Office, of similar purport to that sent to you; and I concur in the view taken by that gentleman, which is really in accordance with the opinion which has been, on previous occasions, expressed by this department-viz., that, as these territorial transit charges are paid to America by the London Post Office, which office undertakes to bear the whole expense of conveying the Australian mails to and from Great Britain and San Francisco, it is not easy to see how effect can be given to the decision of Congress. Moreover, the difficulty is increased by the fact that the concession by America is understood to be in consideration of the San Francisco service being maintained after the termination of the present contract; and you will of course be aware that at the present time I am not in a position to give any such pledge for the continuance of the San Francisco service.

In the fourth paragraph of your letter you express an opinion that the Imperial Post Office would no doubt allow the colonies the full benefit of any reductions made by the United States Post Office. This view may be correct, but it appears to me very doubtful whether any such concession would be made by Great Britain. The Imperial Government carries out its contract to convey our mails to and from San Francisco at a far greater cost than that involved in fulfilling its contract with the other colonies to convey to and from the termini at Galle and Singapore; and, even though the American Government is willing to reduce its charge for continental transit by one-half, it seems more probable that the Imperial Government would claim than allow the colonies the benefit of such abatement. If the Americans desire to encourage the San Francisco service, it is clearly open to them to do so by joining the colonies in paying the subsidy; but, as before stated, it seems evident that any grant by . America, either directly or indirectly, is intended to be conditional on the prolongation of the service after the expiration of the present contract.