No. 3.

The Hon. Mr. HALL to the AGENT-GENERAL.

Post Office and Telegraph Department, Wellington, 26th February, 1881. STR.-For the purpose of keeping you informed of the progress of the negotiations in the matter of the reduction of the American transit charges for the carriage of the colonial closed mails between San Francisco and New York, I have the honor to enclose copies of correspondence which has passed since the date of my last letter (29th January).

2. I regret that I am unable by the outgoing mail to forward to the United States Post Office a reply to the request preferred by Mr. Blackfan (No. 13, F.-4, 1881), as I am not yet in possession of the views of the Postmaster-General of New South Wales.

3. I trust you will be successful in obtaining a recognition of the claim of the colonies to the concession asked for in my letter to the Imperial Post Office.

I have, &c.,

JOHN HALL,

The Agent-General for New Zealand, London.

Postmaster-General.

No. 4.

Mr. Gray to the Agent-General.

Post Office and Telegraph Department, Wellington, 23rd April, 1881.

I have the honor to forward enclosed copies of letters (No. 27, et seqq., F.-4, 1881) to Mr. Creighton, the Superintendent of Foreign Mails, Washington, and the Secretary of the General Post Office, Sydney, on one from Mr. Creighton to this office, copy also enclosed (No. 26, F.-4, 1881), in which he notifies that the United States Congress has voted forty thousand dollars on account of the overland freight charges on closed colonial mails, to be paid the coutracting colonies.

I have, &c., W. GRAY,

The Agent-General for New Zealand, London.

(for Postmaster-General.)

No. 5.

Sir F. D. Bell to the Hon. the Postmaster-General.

Sir,—

7, Westminster Chambers, London, S.W., 16th May, 1881.

I had the honor to receive lately your letter of the 26th February, transmitting copies of further correspondence on the subject of remitting the United States transit charges for closed mails between New York and San Francisco.

I am sorry to say that I do not yet see quite clearly how the renewed representations to the London Post Office, which you desire me to make, would advance your object at this moment. In your letter under reply you allude to a letter from yourself to the London Office, which I have not seen; but it seems to me, after reading carefully Mr. Blackfan's letter which you send me, that everything now depends on whether the San Francisco mail service is to be renewed or not.

The transit charge is made by the United States Post Office, and paid by the London Office in

account with the States. If the States Office remitted the charge, it would cease to be paid in London and recovered from the colonies. Now, in my predecessor's letter to you, of 28th January (No. 11, F.-4, 1881), which you will have received shortly after sending your present letter to me, Sir Julius Vogel transmitted copy of a letter he had received from the London Office declining to express any opinion upon the proposed arrangement between the colonies and the States. The reason of that refusal seems obvious. At that time the proposal in Congress for remitting the transit charge had taken the form of an appropriation; and, in a letter to me of 3rd February last, Mr. Creighton assumed that, while the money voted would be paid direct by the States to the colonies, the Washington Office would continue all the same to collect the charge from the London Office. While this was pending, the London Office would not be likely to express any opinion of its own.

The matter has now taken a different shape by the United States Postmaster-General having made

it a condition of his exercising the discretion vested in him by Congress, that the San Francisco mail service shall be renewed. It seems clear, indeed, from the correspondence you send me, that Congress was induced to give this discretion by representations that if the transit charges were retained the service would be abandoned, and if they were remitted it would be renewed. This was perhaps a necessary element in the case, since if there was no mail service there would be no mails going through and no charges to remit. At any rate the London Post Office will certainly not move until the United States have agreed to make the remission, and the United States Post Office will not make the remission unless the mail service is renewed. I cannot, therefore, lead you to expect that the London Office will make a hypothetical promise in what is still an uncertain stage of the question; but I shall carefully watch for the first favourable opportunity of bringing it again under their consideration.

The Hon. the Postmaster-General, Wellington.

I have, &c., F. D. Bell.

No. 6.

Mr. GRAY to Sir F. D. BELL.

Post Office and Telegraph Department, Wellington, 16th July, 1881. I have the honor to acknowledge the receipt of your letter of the 16th May, referring to mine of the 26th February, on the subject of the remission of the United States charges for transit of colonial closed mails between San Francisco and New York.