2. From my letter to you of the 23rd April last, you will have understood that the position of affairs had altered since the despatch of my previous letter, and that the continuance of the service via San Francisco is not now insisted on by the United States as a condition of the payment of \$40,000 I have, &c., W. GRAY, to the contracting colonies.

Sir F. D. Bell, K.C.M.G., Agent-General for New Zealand, London. (for the Postmaster-General.)

No. 7.

Mr. Blackfan to the Hon. the Postmaster-General.

Post Office Department, Office of Foreign Mails, SIR,-Washington, D.C., 8th August, 1881. I have the honor, by direction of the Postmaster-General, to acknowledge the receipt of your letter of 23rd April last (No. 28, F.-4, 1881), in relation to the legislation enacted by Congress at its last session in aid of the monthly mail steamship service with the United States, maintained by the Governments of New Zealand and New South Wales, and to inform you that the Act making appropriations for the service of the Post Office Department for the fiscal year ending 30th June, 1882, contains the following appropriation, viz.: "Provided—That the Postmaster-General is authorized to pay to the Colonies of New Zealand and New South Wales so much of the cost of the overland transportation of the British closed mails to and from Australia as he may deem just, not to exceed one-half of said cost, and the sum of forty thousand dollars is hereby appropriated for that purpose;" and that, in compliance with said legislation, he has ordered, "that the sum of forty thousand dollars, if not exceeding one-half the cost of the overland charges paid to this department by the British Post Office for the United States territorial transit of the British and Australian closed mails during the fiscal year ending 30th June, 1882, be paid to the Colonies of New Zealand and New South Wales out of the said appropriation, in quarterly payments, the sums so paid to be divided equally between the said colonies, and the warrants therefor to be drawn payable to the orders of the Postmasters-General of New Zealand and New South Wales respectively."

It will be perceived that the sum appropriated to be paid to the said colonies is subject to the restriction that it is not to exceed one-half of the cost of the overland transportation of the British closed mails to and from Australia; and also that the same is to be paid to the Colonies of New Zealand and New South Wales. The payments will therefore be made quarterly as soon as satisfactory evidence is received at this department of the weights of the British and Australian closed mails transported overland between New York and San Francisco during each quarter, and each quarter's payment will be made in two equal sums by warrants drawn payable to the orders of the Postmasters-General of New Zealand and New South Wales respectively.

The Postmaster-General, &c., &c., Wellington, New Zealand.

Joseph H. Blackfan, Superintendent of Foreign Mails.

No. 8.

Mr. Gamble to the Hon. Mr. Hall.

Auckland, 24th September, 1881. SIR, I am instructed by the President of my company to inform you that, the Government of New South Wales having already expressed the wish that the present mail contract between the said company and the Governments of New Zealand and New South Wales may be renewed upon its expiration, he proposes, during the next session of the Congress of the United States, to urge upon that body the importance of the service to the people of the country, and a proper recognition on the part of the Government of the same. He believes that, if his efforts are supported by an official application on the part of the Governments of New Zealand and Australia to the Government of the United States, much good may result therefrom.

In submitting this information, I have therefore the honor to suggest that the Government of New Zealand shall, while reminding the Government of the United States of the steadily-increasing importance of the trade between the two countries—which the people of the United States reap the benefit of without contributing to support—ask that Government to lay the subject before Congress at its coming session, with the recommendation that action be taken to secure for the mail service, in case the present contract is renewed, such recognition on the part of the United States Government as the benefit it renders the people and commerce of that country entitles it to.

I would respectfully ask that if the course I have had the honor of suggesting meets the approval of the Government of New Zealand, I may be furnished with a copy of the communication sent to the Government of the United States, to the end that I may transmit it to the President of my company, who will make use of it in pressing the company's claim upon the most influential of our legislators.

> I have, &c., Thos. T. Gamble, Agent, Pacific Mail Steamship Company.

The Hon. John Hall, Premier of the Colony of New Zealand, Wellington.