

2. The Postmaster-General apprehends that there will be no delay in ascertaining the exact annual cost of the overland transport of the closed mails *via* San Francisco, to and from Australia; and he hopes that by the next mail the first instalment of the amount voted will be received.

The Superintendent, Office of Foreign Mails,
Post Office Department, Washington, D.C.

I have, &c.,
W. GRAY,
Secretary.

No. 12.

Mr. GRAY to Mr. CREIGHTON.

SIR,— Post Office and Telegraph Department, Wellington, 8th October, 1881.
I have the honor to forward you a copy of a letter of the 8th August last from the Post Office Department, Washington, to this office, from which you will learn that the United States Department is now prepared to pay to the two colonies contracting in the San Francisco mail service the \$40,000 voted by Congress on fulfilment of the conditions noted in the letter.

I have, &c.,
W. GRAY,
Secretary.

R. J. Creighton, Esq., San Francisco.

No. 13.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,— Post Office and Telegraph Department, Wellington, 8th October, 1881.
I have been directed to forward you the enclosed copy of a letter of the 8th August last from the Post Office Department at Washington, on the subject of the \$40,000 appropriated as a direct payment by the United States Legislature to the Post Office Departments of New South Wales and New Zealand in aid of the San Francisco mail service. You will observe that so soon as the United States Post Office is satisfied that the \$40,000 do not exceed one-half the cost of the territorial transit of the colonial mails between New York and San Francisco, the colonies will be paid a proportionate sum, the payment to date from the 1st July last.

2. I am also directed to state, with reference to the satisfactory stage which this matter has now reached, that the New Zealand Government cannot but recognize that this grant-in-aid is mainly due to the persistent and energetic representations with which Mr. R. J. Creighton, the agent for this Government at San Francisco, urged the propriety of the United States assisting the contracting colonies in maintaining the San Francisco service. I am therefore directed to ascertain whether the Hon. the Postmaster-General of New South Wales will join with the Postmaster-General here in marking their appreciation of the value of Mr. Creighton's services by each granting him one hundred guineas upon the first payment being made by the United States Post Office.

3. As it will shortly be necessary to take into consideration the question of renewing the San Francisco service, the Postmaster-General is desirous of ascertaining the views of the Government of New South Wales with respect to the continuance of the service after the expiration of the existing contract. The Postmaster-General believes that the importance of the service to the United States is beginning to be recognized there, and that a substantial subsidy may be obtained from that country. The Postmaster-General will be pleased to receive an early intimation from the Hon. Mr. Suttor of the intention of his Government with regard to a renewal of the service and to making a formal inquiry from the United States authorities whether they will recommend Congress to grant a subsidy in aid of it, and, if so, of what amount.

I have, &c.,
W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

No. 14.

Mr. GRAY to Messrs. GILCHRIST, WATT, and Co.

GENTLEMEN,— Post Office and Telegraph Department, Wellington, 10th October, 1881.
I have the honor to acknowledge the receipt of your letter of the 27th ultimo, enclosing extracts from letters from the President of the Pacific Mail Steamship Company, in reference to a continuance of the San Francisco mail service, and to the advisability of a representation from the contracting colonies to the United States authorities for a subsidy in aid of the service. The matters will be dealt with in the course of a few days, and you will thereupon be communicated with in due course.

I have, &c.,
W. GRAY,
Secretary.

Messrs. Gilchrist, Watt, and Co., Sydney.

No. 15.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,— General Post Office, Sydney, 14th November, 1881.
With reference to your letter dated the 8th ultimo, enclosing copy of a communication from Washington relative to the sum of money appropriated by the United States Government in aid of the San Francisco mail service, and to Mr. Creighton's assistance in regard thereto, I am directed by the Postmaster-General to inform you that this Government will be quite prepared to act in conjunction with New Zealand as regards recognizing the services of Mr. Creighton as proposed.