

Enclosure 1 in No. 18.

Mr. CREIGHTON to Mr. BLACKFAN.

SIR,—

San Francisco, 1st December, 1881.

I have been requested by the Secretary of the New Zealand Post Office Department to communicate with you in reference to your letter of 8th August, 1881, upon the question of paying to the Governments of New Zealand and New South Wales the sum of \$40,000, in terms of the General Appropriation Act, for the fiscal year ending 30th June, 1882.

In your letter you state that "the payments will 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." It appears, therefore, that upon the 31st of December current there will be two quarterly payments due under the law of Congress, subject to proof of weight, and that the first payment became due on 30th September ultimo. As the United States Post Office Department has the weights of each closed British and Australian mail in its monthly records, for purposes of accounting with the British Government among other things, I respectfully suggest that "satisfactory evidence of weight" is always within reach, and that therefore any delay on this account must be occasioned by an oversight, which I am satisfied has only to be brought to your notice to be rectified.

With regard to the provision of the law that a sum not exceeding \$40,000 should be paid to the contracting colonies, or such lesser sum as by actual weight is found to be a moiety of the money paid or payable by the British Post Office on account of the overland transportation of the enclosed colonial mails across this continent, I have to remark that the statement of accounts between the Washington and London departments would settle the matter at once. Washington charges the London Post Office, under the Thornton-Tyner Convention, by weight; the London office debits the colonies with the amount, pays the department in Washington, and collects a much larger sum from the colonies for its international agency. I fail to perceive, therefore, how there can be any doubt or difficulty either as to weight or amount, seeing that both are upon record in Washington. In this connection I also take leave to refer you to the last annual report of Postmaster-General Key, page 509, under the head "Transcontinental Australian Mails," in which the statement is made that the annual cost of carrying the British and Australian mail across this continent is about \$190,000 annually. If this statement is correct, \$40,000 is not one-fourth, much less a moiety, of the amount.

Since August, 1876, the British Government has paid the United States for this "lengthy and expensive railway service," and the Postmaster-General acknowledged in his report for the fiscal year ended 30th June, 1879, that the United States Treasury had received, for the two years and ten months covered by the payments, "the actual cost of doing the work, which to this time amounts to something over a quarter of a million of dollars." These figures would bring the estimate of \$40,000 for half the service annually pretty near the mark.

I am the more solicitous about this matter because, although the New Zealand Government is willing to renew the existing mail contract, there is a strong feeling in that colony and New South Wales in favor of a direct ocean postal service without touching at any American port. If the United States Government manifests a liberal spirit in aiding the two contracting colonies, it would go a very long way towards the renewal of the existing contract with the Pacific Mail Company, or some other American steamship company, and thus help to develop American commerce.

I respectfully submit the foregoing observations in the fullest confidence that the matter will receive prompt attention, and that the outgoing steamer will convey to the New Zealand and New South Wales Governments the two first instalments under the Appropriation Act, as the service for December with them has been completed. I may here remark, parenthetically, that I was under the impression that the appropriation was retroactive, but in this it appears I was mistaken.

I have, &c.,

ROBT. J. CREIGHTON,

Resident Agent, New Zealand Government.

Hon. Joseph H. Blackfan, Superintendent of Foreign Mails, Washington, D.C.

Enclosure 2 in No. 18.

Mr. CREIGHTON to the Hon. the POSTMASTER-GENERAL, Washington.

SIR,—

500, Montgomery Street, San Francisco, California, 19th December, 1881.

I have been requested by the Secretary of the New Zealand Post Office to bring under your notice officially the fact, of which you are doubtless aware, that the existing mail contract between the Pacific Mail Company and the Governments of New Zealand and New South Wales expires in November, 1883; and to express a hope that the United States Government will be able to hold out some inducement to the colonies to continue this mail service.

I need hardly resort to argument to convince you of the very great advantage the Australian mail service has been to American commerce, having already in memoranda and correspondence had the honor of bringing the subject to the attention of your predecessor, Hon. Judge Key, and to Congress, through the kind offices of the Hon. Horace Davis and Hon. Senator Newton Booth. Congress admitted the equity of the claim to substantial aid by an appropriation of \$40,000 for the fiscal year 1881-82, correspondence regarding the payment of which I have opened with Mr. Blackfan, Superintendent of Foreign Mails.

I hope the Post Office Department at Washington will recognize the propriety of recommending to Congress a similar appropriation for the next fiscal year, and thereby relieve in some degree the extra burden which the maintenance of mail communication with England by way of San Francisco and New York entails upon the Colonies of New Zealand and New South Wales. As you are doubtless aware,