

cable, agreed with the Union Company for the use of the "Australia" and "Zealandia" under the new contract; but, owing to some hitch not yet explained, Mr. Pearce appears to have cancelled that arrangement. The "Australia" and "Zealandia" are at present advertised in the Sydney newspapers to run direct between San Francisco and Sydney, not calling at Auckland. The Union Company now open the service with their new steamer, the "Mararoa," from Sydney on the 3rd proximo, and have succeeded in getting Messrs. Spreckels Brothers to put on the "Alameda" from San Francisco on the 21st instant, in the place of the "Zealandia."

This is the explanations of the telegrams sent to the Postmaster-General of the United States, and Mr. Charles Creighton, San Francisco, on the 6th and 7th instant respectively, copies of which I enclose for your information.

I have, &c.,

Jos. A. TOLE,
(For Postmaster-General.)

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

No. 73.

Mr. C. CREIGHTON to Mr. GRAY.

SIR,—

San Francisco, 23rd November, 1885.

I have to acknowledge the receipt of your favour of the 10th October, 1885, containing notification of the conclusion of the negotiations and the execution of a three-years contract for carrying the mails *via* the San Francisco route, and also the enclosed copy of the contract and the time-table. In accordance with your instructions, I duly notified the San Francisco Post Office Department of the execution of the contract, and furnished it with a copy of the time-table.

On the 7th November, 1885, I received a cablegram (marked "Enclosure No. 1") from the Hon. the Postmaster-General, and, in accordance therewith, instructed the San Francisco Post Office and the mail-agent to ship all Australian mails by the steamship "Alameda" immediately upon their arrival at said post-office, the Messrs. Spreckels Brothers having informed me that the "Alameda" would be ready to receive said mails and carry them to their destinations without transhipment.

In pursuance of your instructions, I consulted with Mr. Glasson, the mail-agent, and notified Messrs. Spreckels Brothers that adequate accommodations would have to be provided for storing and sorting the mails, and also for the mail-agents, while on board said steamer.

Messrs. Spreckels Brothers informed me that the time was too limited to erect a permanent sorting-room upon the spar-deck of their steamers for this first trip, but that they would provide such rooms below. They have made a temporary mail-room on the lower deck, just aft of the collision bulkhead, in the bow of said steamer, which is in close proximity to the storing-room, and, I believe, in all respects in conformity with the contract except in its position, and sufficient for the requirements of the service. I would beg leave to suggest, however, that after the report of the mail-agent an inspection of the steamer should be held at Auckland with a view to ascertain the proper locality of the permanent mail-room.

The agents of the Pacific Mail Company here have demanded from me the mails for the steamship "Zealandia," which sails hence to-day, claiming that their contract does not expire until the 29th instant; but, acting under your said letter of the 10th October, the contract, and the said cablegram (Enclosure No. 1), I refused to recognize their right to carry the mails upon said steamship. I enclose copies of the correspondence, marked, Enclosures No. 2, No. 2A, No. 2B, No. 3, and No. 4. Upon receipt of Enclosure No. 2A the Postmaster desired me to officially notify him to ship said mail on the steamship "Alameda," which I duly did.

I beg leave, also, to acknowledge the receipt of your favour containing special code for use in shipment of fish ova; but as yet I have received no notification of the dispatch of any such ova for the New Zealand Government.

I regret to be compelled to report a delay of two days beyond schedule-time in the sailing of the steamship "Alameda." The mails arrived in New York on Sunday, the 15th instant, too late for despatch by that day's train, and, consequently, did not leave New York until the 16th instant, which should have brought them here on Sunday, the 22nd instant; but by some means a delay of another day occurred upon the Union Pacific Line. At the present writing I have been unable to ascertain the cause of said delay; but hope to be able to advise you before the hour of sailing. There would seem to be no good cause for said delay, as the domestic mail leaving New York upon the same train as the English mail arrived in due time yesterday.

I have, &c.,

CHARLES CREIGHTON,
Resident Agent for New Zealand.

W. Gray, Esq., Secretary,
Post Office Department, New Zealand.

Enclosure 1 in No. 73.

The Hon. the POSTMASTER-GENERAL to Mr. C. CREIGHTON.

(Telegram.)

Wellington, 7th November, 1885.

"ALAMEDA" starts new contract. Washington instructed. Send all mails by her. Instruct mail-agent ship mails "Alameda."

POSTMASTER-GENERAL,
New Zealand.

To Creighton, San Francisco.