

No. 32.

The Hon. the POSTMASTER-GENERAL, Washington, to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Post Office Department, Washington, D.C., 3rd September, 1888.

I have the honour to acknowledge the receipt of your letter of the 14th of July last.

On a careful review of the returns of mail-service rendered by the Oceanic Steamship Company for this Government for carrying the mails to New Zealand, New South Wales, Victoria, Queensland, and Tasmania, South and West Australia, and Fiji Islands and Hawaii, New Caledonia and Samoa, I feel warranted in the reply that the power conferred on this department by law will permit the increase of the present annual payment to American steamship companies to the sum of \$50,000, on the conditions named by my predecessor in his communication of the 26th October last, to which your communication of the 14th July last is a reply, and to which you refer therein. I fully appreciate the value of this service to the United States, and have felt the keenest desire to maintain it, and have the honour to inform you that the limitations upon a more liberal co-operation have been from statutory conditions, and not from the disposition of this department.

I have, &c.,

DON M. DICKINSON, Postmaster-General.

The Postmaster-General, Wellington, New Zealand.

No. 33.

Mr. R. J. CREIGHTON to the SECRETARY, General Post Office, Wellington.

SIR,—

San Francisco, 22nd September, 1888.

I have the honour to enclose accompanying correspondence in reference to the extended mail-service, and the terms upon which the United States Postmaster-General is prepared to sign a contract for the ensuing twelve months, commencing with November next.

The correspondence explains itself. I have nothing to add in explanation beyond the statement that, in view of possible administrative changes after the November election, in my opinion it was advisable that the exact terms upon which the United States Post Office Department agreed to make increased payments in aid of the direct postal service with New Zealand and Australia should be of record. The arrangements and understanding with the United States Postal Department on the occasion of my visit to Washington some years ago were disregarded by the new Administration simply because there was no written agreement. Another change of Administration would probably upset what has been agreed to in good faith by the present Postmaster-General were it left an open question. Public policy changes with every change of Administration, even in matters of detail. There is no intention of doing injustice, although that is sometimes the result.

Section 4,009, Revised Statutes, under which this arrangement for payment is made, reads as follows: "For transporting the mail between the United States and any foreign port, or between ports of the United States, touching at a foreign port, the Postmaster-General may allow as compensation, if by a United States steamship, any sum not exceeding the sea and United States inland postage, and if by a foreign steamship or by a sailing-vessel, any sum not exceeding the sea-postage on the mail so transported." It is evident, therefore, that a reduction must be made in respect of the mails carried by the "Zealandia," or any other vessel employed in the service which is not on the American register. The amount fixed upon is the highest sum the law permits to be paid for the ocean postal service. Of course, the increased payments will benefit the colonies by reducing their subsidies.

I have requested to be furnished with a copy of the agreement, which I shall forward in due course to you. Beyond assenting to the twelve hours' detention, I have not been consulted on the subject. I hope that, in view of the circumstances of the case, I have not acted contrary to the wishes of the Hon. the Postmaster-General.

I have, &c.,

ROBERT J. CREIGHTON.

W. Gray, Esq., Secretary, Posts and Telegraphs, Wellington.

Enclosure 1 in No. 33.

Mr. J. D. SPRECKELS to the RESIDENT AGENT for NEW ZEALAND, San Francisco.

SIR,—

San Francisco, 12th September, 1889.

I have the honour to enclose, for your information, copy of a telegram received from Mr. A. B. Spreckels relative to United States payments to the San Francisco mail-service with the colonies.

Will you kindly advise me, as early as possible, whether the detention of twelve hours will be permitted by the New Zealand Government, also whether they will consent to the reduction of \$1,000 per quarter on account of the s.s. "Zealandia," as the United States laws are very explicit concerning the transportation of mails in foreign bottoms? Will you also kindly give me the initial and final sailing-dates of steamers for the year's extension of the contract.

The words "Hawaiian services extra" refer to payments to be made on account of the s.s. "Australia."

I have, &c.,

JOHN D. SPRECKELS.

Robert J. Creighton, Esq., Resident Agent for the New Zealand Government,
328, Geary Street, San Francisco.