

No. 70.

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

(Telegram.)

Wellington, 26th June, 1890.

FRISCO SERVICE.—If New Zealand continue service, it is assumed that Australian Colonies will pay on their outward mails the rates now charged non-contracting colonies.

No. 71.

The SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington

(Telegram.)

Sydney, 27th June, 1890.

FRISCO SERVICE.—We consider, until altered by mutual consent of all parties, New Zealand included, non-contracting colonies would continue pay contracting colony present rates outward mails.

No. 72.

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

(Telegram.)

San Francisco, 29th June, 1890.

SUBSIDY undecided. Advise delay.

No. 73.

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

SIR,—

San Francisco, 28th June, 1890.

I have the honour to state that I received a cablegram on the 21st instant, of which the following is a copy: "Wellington, 21st June, 1890.—To Creighton, San Francisco.—Sydney declines absolutely renew Frisco service even for twelve months. This Government therefore decided that unless United States prepared grant substantial subsidy, and that our share of cost reduced to a minimum, will reluctantly recommend House not to renew. Parliament now sitting last session; likely close July. Reply before end this month.—MITCHELSON."

In accordance with this request, I cabled to-day: "Postal, New Zealand. Subsidy undecided. Advise delay."

On receipt of the Hon. Postmaster-General's despatch I wrote to the Superintendent of Foreign Mails on the subject, a copy of which letter I have the honour to enclose. As a week only has elapsed, I have not had a reply to my letter.

I regret that I could not cable more satisfactory news, but Congress has not yet acted upon the Tonnage Bounty and Postal Subsidy Bills. When these are taken up favourable action is anticipated. At present, however, the progress of legislation is blocked through the opposition of the Administration to the Tariff Bill as it passed the House, and the struggle over the Silver Coinage Bill. When these measures have been disposed of the Shipping Bills will be acted upon. A strong effort is now being made to have them taken up at an early day.

I hope final action on the Californian mail-service will not be taken by the House until it is seen what Congress will decide. Should the Tonnage Bill pass the service might be continued and improved at a minimum of cost to New Zealand, without reference to New South Wales; and, as all signs point to a modification of the protective policy of the country in the near future, I think New Zealand should be in a position to avail itself of the commercial advantages resulting therefrom.

I have, &c.

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

ROBT. J. CREIGHTON.

Enclosure in No. 73.

Mr. CREIGHTON to the SUPERINTENDENT of FOREIGN MAILS, Washington.

DEAR SIR,—

San Francisco, California, 21st June, 1890.

I have the honour to enclose for your information copy of a cablegram received by me this forenoon from the Hon. Mr. Mitchelson, Postmaster-General of New Zealand.

The existing contract with the Governments of New South Wales and New Zealand expires on the 14th November, 1890, and you will perceive from the accompanying cablegram that, unless the New Zealand Government receives an early assurance that the United States Post Office Department will pay a substantial subsidy, reducing its payment to a minimum, the service will not be continued, New South Wales having refused to renew even for a year.

I need not remind you of the importance of the direct mail-service with Australia to American commerce, as the last annual report of your department shows this in a very conclusive manner; and therefore I do not hesitate to request that you bring this question before the Hon. the Postmaster-General without delay, with a request that he should take such action in the premises as would insure a continuance of the Australian mail-service by American ships.

The contracting colonies pay a subsidy of £37,000 per annum, of which New South Wales contributes £25,750, and New Zealand £11,250 sterling. The colonies, however, receive as a rebate two-thirds of the postage-payments by the United States to the mail-contractors in excess of \$20,000. Including payments from the United States Post Office, the contractors receive, in round numbers, \$200,000 yearly subsidy for carrying the Australian and American mails every four weeks a distance of 7,200 miles. The total American payments are under \$50,000, while the American mail despatched to the colonies is far heavier than the mails of the contributing colonial Governments.