

1890.
NEW ZEALAND.

OCEAN MAIL-SERVICES

(FURTHER PAPERS RELATIVE TO).

[In continuation of papers presented on the 8th August, 1890.]

Presented to both Houses of the General Assembly by Command of His Excellency.

SAN FRANCISCO MAIL-SERVICE.

No. 1.

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

San Francisco, 18th July, 1890.

(Telegram.)
SUBSIDY passed Senate.

No. 2.

The Hon. E. MITCHELSON to Mr. R. J. CREIGHTON, San Francisco.

Wellington, 4th August, 1890.

REPLY whether subsidy passed Congress. Urgent.

No. 3.

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

San Francisco, 5th August, 1890.

(Telegram.)
No. Daily expected pass House.

No. 4.

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

SIR,— Westminster Chambers, 13, Victoria Street, London, S.W., 27th June, 1890.
I duly received your telegram of the 21st [*vide* page 4, F.-1, 1890], directing me to bring various questions before the Imperial Government in relation to the New Zealand mail-services, and I replied that I would see Mr. Raikes on the subject. He has appointed a meeting with me this evening at the House of Commons, but I shall not be able to report by this mail what will have passed between us. Of course, however, the substance will be telegraphed to you tomorrow morning.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. D. BELL.

No. 5.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 19th August, 1890.

OCEAN SERVICES.—Intend ask House agree Goschen's proposal. Washington cable says Tonnage Bill delayed: offers twelve thousand. Will Imperial Government defray transit Frisco mails America Atlantic, and what postages allow another year pending decision, and what agree pay four-weekly direct, or, failing Frisco, fortnightly direct, forty-two, forty-five days? Delivery colony federal packets uncertain without subsidised intercolonial service. Should be restricted specially addressed correspondence. Parliament prorogues three weeks. Important reply immediate.

No. 6.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 19th August, 1890.

OCEAN SERVICE.—Message received. Imperial Parliament prorogued. Raikes abroad. Ministers and heads department dispersed. I do not believe slightest chance any reply before you prorogue.

No. 7.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 29th August, 1890.

OCEAN SERVICE.—Imperial Treasury makes following order if Frisco continued. Firstly, London and New Zealand each retain postages. Secondly, London carry outward mails to Frisco, and in addition credit colony with sea rate of twelve shillings per pound upon outward letters, towards cost ocean service. Thirdly, London defray cost of transit of homeward mails at Postal Union sea rates, colony to pay land transit between Frisco and New York. Fourthly, Newspaper books postage not shared, each country retaining postages and paying cost foreign transit.

No. 8.

The Hon. E. MITCHELSON to Mr. R. J. CREIGHTON, San Francisco.

(Telegram.)

Wellington, 31st August, 1890.

URGENT. Will American Government guarantee free transit homeward mails Frisco to New York, should we renew service?

No. 9.

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

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W., 4th July, 1890.

In continuation of my letter of 27th June, on the mail-service, I now beg leave to report what passed at my interview with Mr. Raikes. Sir A. Blackwood and Mr. Buxton Forman were present.

It was immediately evident that the old difficulties continued to stand in the way of your obtaining an early or definite answer to the questions contained in your telegram of the 21st June. Though I have frequently referred to these in previous letters, it may be well to mention them again here.

In the first place, so long as the question of route remains unsettled, there is the same trouble as to what the Imperial Government will do. They will not say what the permanent Imperial contribution would be to a Pacific mail-service until our Parliament has made up its mind whether to have a mail-service that way at all. It is the difficulty of who is to speak first. Our Parliament hesitates to make up its mind without knowing beforehand how much the Imperial Government would contribute, while the Imperial Treasury is unwilling to name a contribution without knowing that a permanent service is to be established. And now, as the withdrawal of New South Wales makes it more than ever a necessity of the case that any San Francisco contract should be one by New Zealand alone, the Treasury is less disposed than ever to move until the colony decides whether such a contract is to be made. The existing apportionment of postage has only been kept on by successive temporary makeshifts, each one being more difficult to arrange; and long ago I warned you that there was no chance of the same apportionment being permanently continued. On the other hand, though I have repeatedly asked what other plan of apportionment would be required for a new service, the Treasury will not say what in their opinion it ought to be.

In the second place, there is always the same difficulty owing to the time of year when the question is renewed. As soon as our Parliament meets it is confronted with the same trouble—that the San Francisco contract is expiring, and an answer to the same question is as urgently wanted as before. But at the very time when the New Zealand session is fresh the English session is moribund, and when the House of Representatives is just beginning its work the House of Commons is only thinking of whether it can get its own work done at all; while Her Majesty's Ministers are so harassed that they cannot entertain any new questions.

For both these reasons, then, I cannot lead you to hope for an early answer to your inquiries, nor, indeed, would it be at all expedient to press for one, as the natural tendency of all harassed Governments, when obliged to give some answer, is to give one in the negative. But you are sure of help from the London office for an equitable arrangement with the Treasury if once it is settled that the San Francisco service is to be continued, while if it is to be given up the question of Imperial contribution will become much easier. In all the representations I have made to the London office, as now again officially to Mr. Raikes, I have steadily insisted on the principle that the Imperial authorities must either make provision themselves for the English portion of the correspondence or come to a fair arrangement with you to do it for them; and, although this obligation is not explicitly acknowledged, it is one that cannot be denied, and it will be quietly recognised as the basis of negotiation. Of course the financial conditions are essentially changed by Mr. Goschen's proposals for the reduction of postage; but this rather tells in your favour than otherwise, and the natural desire of the Imperial authorities for New Zealand to come in with Australia will help towards a fair and liberal treatment. My impression, from what passed at the interview with Mr. Raikes, is that he would wish to leave the choice of route to you, and would also want you to make the contract, but that he would favour a plan for the cost to be fairly divided between London and the colony on something like the basis of the Peninsula and Oriental and Orient contract. Of

course, I have not felt justified in deviating from the terms of your telegram of the 21st June, and have therefore closely followed these in the letter which (at Mr. Raikes's desire) I sent in to him after the interview; but I thought it might be useful to you to know by cable, in reply to your message, what impression I had derived.

Copies of my letter and of the telegram I sent on the 28th are annexed.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. D. BELL.

Enclosure in No. 9.

The AGENT-GENERAL to the SECRETARY, General Post Office, London.

SIR,—

13, Victoria Street, London, S.W., 28th June, 1890.

In accordance with the desire of the Postmaster-General, I now beg to lay before him in writing the questions which I submitted at the interview he was pleased to give me yesterday.

The New Zealand Parliament is now in session, and will presently have under its consideration Mr. Goschen's Budget proposals for reducing the rate of colonial postage; but before it can come to any decision, my Government must be in a position to explain, not only how the proposed change would affect New Zealand financially, but how the permanent mail-service between this country and the colony is to be carried on.

For a long time past, as Mr. Raikes is aware, the central point in the latter question has been whether the two Governments of New Zealand and New South Wales would continue to maintain a Pacific Ocean service either by San Francisco or by Vancouver; and during this period of suspense the San Francisco service has been kept up by successive makeshifts, which will come to an end in November. The whole subject has now, however, entered upon a new phase on account of New South Wales having decided not to join in a renewal of the service; and the problem before the Imperial and Colonial offices alike is how a permanent postal service is to be established between the United Kingdom and New Zealand, and who is to do it.

In my representations to Mr. Raikes I have assumed that, under the changed conditions of the whole case, the Imperial authorities would not desire to dispute their obligation either to make some provision of their own for the British portion of the correspondence, or to come to an arrangement with New Zealand for the purpose—in other words, that a large and constantly-growing correspondence ought not to be left to the chances of temporary and precarious arrangements. But the financial considerations to be taken into account in order to give effect to Mr. Goschen's proposals are, of course, essentially different from those which existed while the postage remained at 6d.; and the view which the New Zealand Parliament may take of those proposals must naturally be influenced by the course which Her Majesty's Government may think right to take as to their part in the future mail-services.

My Government have at present before them the alternatives of either making a new contract for a San Francisco service or giving up that route altogether and arranging for all mails to be sent by the direct fortnightly steamers; but, before they can ask the Legislature to decide between these alternatives, they wish to know what the Imperial Government is disposed to do in either case. The questions, therefore, which I have been directed by cable to bring before Mr. Raikes are these: (1.) Supposing New Zealand decides to accept Mr. Goschen's proposals, would Her Majesty's Government continue to defray, as heretofore, the cost both ways of carrying the mails between London and San Francisco; and what contribution would they make to New Zealand for providing the service between San Francisco and the colony? (2.) Or, if New Zealand decides to give up the San Francisco service, and arranges for sending all mails by the direct fortnightly steamers, what amount would Her Majesty's Government be prepared to pay the colony for providing that service? (3.) But in the event of Her Majesty's Government declining to make such an arrangement for conveying their portion of the mails to the colony by the direct steamers, what amount would they be prepared to pay the shipping companies, stipulating that delivery of the mails should not exceed forty-five days.

I hope I may be permitted to urge the expediency, in the interests of the postal service, of an early answer on these points, in order that I may cable to my Government, and thus enable Mr. Goschen's proposals to be considered by the Legislature at the earliest possible date.

I have, &c.,

The Secretary, General Post Office, St. Martin's-le-Grand.

F. D. BELL.

No. 10.

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

SIR,—

San Francisco, 25th July, 1890.

I have the honour to acknowledge receipt of your letter of 5th June [*vide* No. 63, F.—6, 1890], informing me that the substance of the Tonnage Bill, so far as it was likely to affect the San Francisco service, had been communicated to the New South Wales Government, with a request that Sir Henry Parkes would state whether his Government would consent to a renewal of the service, on existing conditions, for another twelve months. The reply of Sir Henry Parkes, I assume, was embodied in the Hon. Mr. Mitchelson's cablegram of 21st June, which I lost no time in communicating to the Post Office Department at Washington, and adopted other means of conveying to the American public. The result has been a very strong expression of feeling favourable to a continuance of the line.

On the 15th instant I received a despatch from the United States Postmaster-General, original of which is enclosed. Hon. Mr. Wanamaker has taken great interest in the Australian service, and my letter of 21st June, relating to its continuance and the payment of a substantial subsidy by the United States, was submitted by the Post Office Department to the House Committee. On the 22nd instant the House Committee on Merchant Marine recommended that the Senate Tonnage Bill be taken up and passed as a substitute for the House Bill, but as yet no action has been taken by the House upon this report.

On the 23rd July I telegraphed to the Postmaster-General as follows: "To Postmaster-General, Washington, D.C.—New Zealand considers \$60,000 wholly inadequate. — ROBT. J. CREIGHTON, New Zealand Government Agent." In doing so, I believed I acted within the lines of policy of the New Zealand Government, as embodied in the cablegram of the Postmaster-General, 21st June, and that it was unnecessary to refer the question to Wellington: £12,000, which may be taken as the equivalent of \$60,000, would not "reduce New Zealand's payment to a minimum," and I deemed it prudent to set the point at rest while the Shipping Subsidy Bills were before the House of Representatives.

I have also the honour to enclose letter from Hon. N. M. Brooks, Superintendent of Foreign Mails, in which the despatch from the Postmaster-General is confirmed, and the policy of the department outlined more in detail. I simply acknowledge receipt of this letter, and inform Mr. Brooks that I have forwarded it to you.

On the 15th July I cabled to Wellington as follows: "Postal, New Zealand. — Subsidy passed Senate." And on the 21st instant I received the following cable from Wellington: "Creighton, San Francisco.—Has subsidy finally passed?—MITCHELSON." I have not replied to this despatch, as my private advices from Washington encourage the hope that almost any hour the Subsidy Bills would be taken up and passed, and because also the non-receipt of an affirmative answer implied the negative. I regret that I am unable to say at this moment when the Shipping Bills will be finally acted upon, as progress is very slow owing to partisan legislation intended to influence the coming State elections. The Tariff Bill is also hung up in the Senate, but I have little doubt it will ultimately pass with flax on the free schedule.

I have, &c.,

Wm. Gray, Esq., Secretary, Post Office, &c., Wellington.

ROBT. J. CREIGHTON.

Enclosure 1 in No. 10.

The POSTMASTER-GENERAL, Washington, to Mr. R. J. CREIGHTON, San Francisco.

(Telegram.)

Washington, D.C., 15th July, 1890.

STATUTORY provisions prevent payment of more than \$60,000 for conveying mails in American vessels from San Francisco to Australia. If New Zealand renews contract with Oceanic line this department will pay said line that amount for conveying mails next year. Letter by mail.

JNO. WANAMAKER, Postmaster-General.

Robert J. Creighton, 327, Market Street, San Francisco.

Enclosure 2 in No. 10.

The SUPERINTENDENT OF FOREIGN MAILS, Washington, to Mr. R. J. CREIGHTON, San Francisco.

SIR,—

Washington, D.C., 19th July, 1890.

I have the honour to acknowledge the receipt of your letter of the 21st ultimo, calling attention to the circumstance that the existing contract between the Colonies of New South Wales and New Zealand and the Oceanic Steamship Company, for the conveyance of mails between Australia and the United States, will expire on the 14th November next, and that unless this department will agree to pay a "substantial subsidy" the contract will not be renewed.

Your letter was promptly brought to the attention of the Postmaster-General, and was replied to by his telegram of the 15th instant in the words following: viz., "Statutory provisions prevent payment of more than \$60,000 for conveying mails in American vessels from San Francisco to Australia. If New Zealand renews contract with Oceanic line, this department will pay said line that amount for conveying mails next year."

The Postmaster-General directs me to confirm the foregoing telegram, and to add that, under the statutes now in force, he has no authority, in any circumstances, to pay any sum in excess of the whole amount of postage collected upon the articles contained in the mails conveyed; and is authorised to pay that amount only in case the conveying vessels are of United States register. In case the mails are conveyed in vessels of foreign register, then the law provides that the "sea postage" only shall be paid for said conveyance, which would materially decrease the amount to be allowed for the service in question.

The Postmaster-General fully appreciates the value of the direct mail-service between San Francisco and Auckland and Sydney—as well to the postal intercourse as to the commercial interests of the United States—and is disposed to exercise to the fullest extent all the authority conferred upon him by law to maintain and improve the service. To this end he will pay towards the expense of the service the whole amount of the postage collected on the mails despatched from this country, provided the conveying steamers are of United States register, which amount a careful estimate, based upon the weights of the mails despatched during the fiscal year ended 30th June, 1890, shows to be about \$60,000 per annum. It may possibly exceed that sum to a slight degree, but not sufficiently to warrant an agreement to pay a larger amount during the next year.

It is possible that the Congress now in session may enact legislation in favour of American shipping which will confer additional power upon the Postmaster-General in regard to compensating steamers for the conveyance of mails to foreign countries; but until final action is taken upon some one of the measures of this character now before Congress, the Postmaster-General is not prepared to say what he would do if either of the measures referred to should become a law.

I am, &c.,

N. M. Brooks,

Acting Superintendent of Foreign Mails.

Hon. Robert J. Creighton, Agent of New Zealand Government,
No. 327, Market Street, San Francisco, California.

DIRECT MAIL-SERVICE.

No. 11.

The SECRETARY, General Post Office, to the SECRETARY, New Zealand Shipping Company, Christchurch.

(Telegram.)

Wellington, 21st August, 1890.

POSTMASTER-GENERAL wishes to know the terms on which your company willing continue the four-weekly service, and what payment would be required for a fortnightly service for twelve months. Mr. Mitchelson would be glad to have reply on Monday.

No. 12.

The SECRETARY, New Zealand Shipping Company, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Christchurch, 26th August, 1890.

BOARD decided undertake fortnightly service for one year. Subsidy thirty thousand. No bonuses or penalties. Provided Shaw-Savill agrees. Cunningham has cabled for authority accept above terms. Will send definite reply when answer received from them.

No. 13.

The SECRETARY, General Post Office, to the SECRETARY, New Zealand Shipping Company, Christchurch.

(Telegram.)

Wellington, 26th August, 1890.

MAIL-SERVICE.—You have overlooked giving price for four-weekly service for twelve months. Please see my telegram of 21st.

No. 14.

The SECRETARY, New Zealand Shipping Company, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Christchurch, 26th August, 1890.

MONTHLY service price fifteen thousand. Other terms as wired.

No. 15.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 29th August, 1890.

OCEAN SERVICES.—The question is still unsettled about Direct steamers. Would you accept Imperial Post Office contribution twelve shillings pound letters same as offered Frisco, together with half-postage books newspapers?

[Approximate Cost of Paper.—Preparation, nil; printing (1375 copies), £3 9s.]

By Authority: GEORGE DIDSURY, Government Printer, Wellington.—1890.

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