Enclosure 2 in No. 29.

Mr. Creighton to the Superintendent of Foreign Mails, Washington.

San Francisco, 17th September, 1891. SIR,— I have the honour to acknowledge receipt of your letter dated the 8th September, referring to the rapid transit of the Australian mail from the Atlantic steamship to the railroad on the day of its arrival at New York; also informing me regarding the action of the colonial representatives

at the Postal Congress in respect of transit charges.

In reply, I beg to state that I shall forward your letter to the New Zealand Post Office Department for its information. Apparently; however, the Postmaster-General of New Zealand understands this matter differently, inasmuch as I received the following cable from him yesterday: "Creighton, San Francisco.—San Francisco Service.—Have approved renewal three years; eleven shillings [per pound] letters. Colony defray overland transit Homeward. Condition, London agree renewal and American transit reduced. Cabled Washington urging free transit Homeward mails, or reduction rates specified Article four, Postal Union Regulations, and antedate beginning present contract. You strongly appeal. Colonies objected reduction maritime transit not territorial.

Although your letter would seem to indicate that for the present, at least, no reduction in the transit charges need be expected, I trust that, in view of the persistent adhesion by New Zealand to the American postal route, which has been abandoned by all other Australasian Governments, a way may be found for meeting the views of the Postmaster-General of New Zealand on this point. The arguments heretofore presented by me in favour of this request are upon record in your depart-

ment, and need not be repeated.

You will note that the renewal of the service by New Zealand is made contingent upon the renewal by Great Britain of its undertaking to forward the Australian closed mail to New York, and defraying the cost of railroad transportation to San Francisco. Inasmuch as the London Post Office deducts the entire postage on printed matter, to offset this expense, it is not probable that any serious objection to renewal will be made. The steamship contractors on the Pacific are required to carry newspapers, books, &c., both ways without any remuneration under the existing system of payment, while the letter rate has been reduced one-twelfth from the net amount under the running contract.

As I understand the cable from Mr. Ward, the New Zealand Postmaster-General, the service contemplated is a continuance of the existing four-weekly one.

I have, &c.,

Hon. N. M. Brooks, Superintendent of Foreign Mails, Washington, D.C.

ROBT. J. CREIGHTON, Agent, New Zealand Government.

No. 30.

The Superintendent of Foreign Mails, Washington, to the Hon, the Postmaster-General, Wellington.

Post Office Department, Office of Foreign Mails, Washington, D.C.,

17th September, 1891.

SIR,-Referring to your cablegram of the 16th instant, in the words following—viz., "Propose renew San Francisco service three years, on condition American transit charges reduced. Strongly urge free overland carriage Homeward mails, or that rates specified Article 4, Postal Union Regulations, be fixed and antedated commencement present contract. Cable reply," to which the Post-master-General has sent the following reply by cable to-day: "Unable to grant request. Letter mailed"-I have the honour, by direction of the Postmaster-General, to explain that his inability to comply with your request results from the circumstance that the statutes of the United States do not confer upon him authority either to reduce the rates charged for the United States intermediary transit of closed mails of foreign origin, or to grant said conveyance free of charge.

At the last session of Congress that body was requested to confer the desired authority, as was stated in the Postmaster-General's telegram to Mr. Creighton, dated the 10th September, 1890 (Vide No. 3, F.-4, 1891), of which you were no doubt advised by Mr. Creighton; but Congress adjourned without action upon the subject, and consequently the Postmaster-General is still

without authority to act.

Since then, however, the conditions have been changed by the passage by Congress of "An Act to provide for Ocean Mail-service between the United States and Foreign Ports, and to promote Commerce" (approved the 3rd March, 1891), under which the Postmaster-General is authorised to contract with steamship companies for the sea-conveyance of United States mails to foreign countries; and, pursuant to provisions of the said Act, proposals have been invited for a semi-monthly service from San Francisco to New Zealand and Australia (as you will see by the enclosed pamphlet, which contains the advertisement calling for proposals under the Act in question), which proposals will be opened in this department on the 26th of next month (October), and the contracts awarded as soon I am, &c., N. M. Brooks, thereafter as practicable.

The Hon. the Postmaster-General, Wellington, New Zealand.

Superintendent of Foreign Mails.

No. 31.

Mr. Grav to the Managing Director, Union Steamship Company (Limited), Dunedin.

(Telegram.) Wellington, 13th October, 1891.

AGENT-GENERAL cabled tenth that London Post Office inquiring whether Fr'isco mail leaving London thirty-first had been provided for. Replied that the service had already been arranged for. question still unsettled, but Agent-General says Post Office promises early decision.