

You will see from Mr. Brooks's letter that, so far as the American Post Office is concerned, no relief need be expected. As Mr. Brooks represented the United States at the Postal Congress, his explanation of what took place when the Australian Colonies were admitted is doubtless correct. It appears also to be borne out by Mr. Lambton's cable to you of the 15th October, 1891 (*vide* No. 34).

It was unfortunate, perhaps, that New Zealand was without representation among the Australian delegates, as her interests appear to have been ignored.

As you are now a member of the Postal Union, I do not think it would be competent for you to adopt Mr. Lambton's suggestion, and "negotiate for lower rates by special convention." The only plan of relief that I can see, is the one suggested in a former letter, to the effect that the Australian Colonies jointly request the members of the Postal Union to reconsider the question of transit charges, and adopt a rule which would be satisfactory to New Zealand and the other colonies interested.

Upon receipt of Mr. Brooks's letter, I communicated the contents to Mr. Spreckels, who at once wrote to Senator Felton asking him to present the facts to the Pacific Coast delegation in Congress, with the view of introducing a joint resolution, authorising the Postmaster-General to remit the transit charges on the closed British and colonial mail. A similar resolution was introduced on the 6th February, 1891, at the request of the Postmaster-General, but was shelved, partly owing to the lateness of the date of introduction and to other pressing party business.

I am not without hope that the resolution will pass, although the constitution of the House is very different from what it was last Congress, and the majority has not given any indication of its policy on postal matters. Should a joint resolution pass both Houses it would have the effect of a Bill, and would become operative without the President's approval.

It is understood by Mr. Spreckels that any remission of charges effected through Congressional action, or by any other means, shall inure to the benefit of the steamship contractors, whose remuneration for carrying the mail has been cut down to offset the payments under the Tyner-Thornton agreement, and the new exactions of the British Post Office for the Atlantic service. Last year's payment to the Washington Postal Department for this service was \$54,205.61; and, if this amount could be retrieved, it would give the contractors for the Pacific Ocean service, in addition to present payments, something approaching to reasonable compensation for their work. I am informed by the agents of the Oceanic Company that nothing definite has been done regarding American postal payments. The position remains the same as at date of former advices.

A Bill has been introduced in Congress to repeal the Ocean Postal Subsidy Bill. It is not likely to pass. An amending Bill has been introduced, which would materially aid the Australian mail-service if enacted.

I have, &c.,

ROBT. J. CREIGHTON.

W. Gray, Esq., Secretary, Post Office, Wellington.

Enclosure 1 in No. 82.

The SUPERINTENDENT of FOREIGN MAILS, Washington, to Mr. CREIGHTON, Resident Agent for New Zealand, San Francisco.

SIR,—

Office of Foreign Mails, Washington, D.C., 30th December, 1891.

I have the honour to acknowledge the receipt of your letter of the 2nd instant, reopening, by instruction from the Postmaster-General of New Zealand, the question of reducing the United States charges for transportation between New York and San Francisco of the closed mails for and from the British Australasian Colonies.

In reply, I have to inform you that, in the correspondence which has recently passed between this department and the New Zealand office, the latter office has been informed that, however much the Postmaster-General might be inclined to reduce the charges in question, he is without authority to do so in the absence of special legislation to that end, which legislation he has recommended, but so far unsuccessfully.

In these circumstances, it seems to be hardly necessary to discuss any other reasons for declining to make the desired reductions; but, in reply to your remarks relative to the conditions under which the colonies entered the Universal Postal Union—namely, that the existing maritime-transit rates should be maintained, without reference to the territorial transit rates—I have to inform you that in the diverse interests represented in the Congress of Vienna—some demanding a reduction of the territorial and others of the maritime charges—any modification of the existing status could be arrived at only by compromise. And when, by the admission of the colonies, the question of reducing the maritime rates was eliminated, it at once became impossible to effect a reduction of the territorial rates.

The delegates of the United States were instructed to secure, if possible, the abolition of all transit rates—maritime and territorial—or, failing in this, to procure the reduction of either or both to the lowest rate attainable; but both of these objects became impossible, by reason of the conditions precedent to the admission of the colonies.

With reference to your remarks to the effect that the rates now charged are in excess of the Postal Union territorial transit rates of 2 francs per kilogramme of letters and post-cards and 50 centimes per kilogramme for other articles, I have to call your attention to the circumstance that, by the provisions of Article 4 of the Postal Union Convention now in force, and Article 3 of the regulations for its execution, the rates named do not apply to either of the three "extraordinary services" mentioned in said Convention—namely, "the East Indian mail," the route between New York and San Francisco, and the isthmus transit between Colon and Panama; and that all foreign-closed mails, of whatever origin or destination, which are transported across the United States from New York to San Francisco, or *vice versa*, are subjected to the same charges that are claimed by this depart-