

Sub-enclosure in Enclosure 1 in No. 33.

(Telegram.)

Philadelphia, 10th September, 1888.

POSTMASTER will contract with us \$50,000 per annum. Hawaiian services extra. Pays quarterly unless Congress forbids. No probability of this. Insist right detain twelve hours. Get New Zealand consent to this: it occurs infrequently. Law forbids paying full postage on foreign bottoms. Obtain consent reduce quarterly payment \$1,000 on "Zealandia," making \$46,000 net for service. Give initial and final sailing-date, and instruct. Hard work arranging."

John D. Spreckels, San Francisco.

A. B. SPRECKELS.

Enclosure 2 in No. 33.

Mr. R. J. CREIGHTON to the MANAGING DIRECTOR, Oceanic Steamship Company, San Francisco.
Sir,—

San Francisco, California, 12th September, 1888.

I have the honour to acknowledge receipt of your letter of even date enclosing copy of a despatch from Mr. A. B. Spreckels, Philadelphia, relative to the United States payments to the San Francisco mail-service with the Australian Colonies.

My general instructions do not authorise me to pledge the New Zealand Government to any specific obligation, but under the circumstances I think I may interpret the cablegram of the Hon. the Postmaster-General, Sir Harry Atkinson, of date 24th August, 1888, as conferring such authority for the purpose indicated in your letter. It instructed me to accept the terms offered by the United States Postmaster-General for a continuance of the mail-service up to November, 1889.

I think, however, apart from this, that the New Zealand Postmaster-General will approve my assent on his behalf to the condition which the United States Postmaster-General insists upon, that he should have the right to detain the contract mail-steamer at San Francisco twelve hours, presumably after the arrival of the closed British mail at this port from New York, for the reasons—(1) The necessity for such detention can but very rarely arise; and (2) by the present railroad schedule, which provides for only one through train every twenty-four hours from Ogden to San Francisco, it could not be taken advantage of. The United States mail for the colonies must be despatched by the same train as the British closed mail, or a detention of twenty-four hours would be necessary. Such detention would be unreasonable unless in the case of some grave national emergency, in which case I have no doubt my Government would approve the detention of the mail-steamer, which I should not hesitate to sanction upon request.

With regard to the reduction of \$1,000 per quarter on account of the s.s. "Zealandia," reference to the Revised Statutes convinces me that this is inevitable. The Postmaster-General has no option in the matter. The amount involved is not large, and the United States Post Office Department has displayed a liberal spirit throughout these negotiations.

I note what you say regarding the Hawaiian services. My Government has no concern with your arrangements for conveying the Hawaiian mail.

The initial sailing under the extended contract will be the s.s. "Alameda," 17th November, 1888; final sailing, 19th October, 1889.

I have, &c.,

ROBERT J. CREIGHTON,

Resident Agent, New Zealand Government.

John D. Spreckels, Esq.,

Managing Director, Oceanic Steam Shipping Company, San Francisco.

No. 34.

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

Sir,—

General Post Office, Sydney, 17th October, 1888.

I have the honour to acknowledge receipt of your letter of the 5th instant covering copy of a communication from your Resident Agent at San Francisco in regard to the American mail-service.

I have, &c.,

The Secretary, General Post Office, Wellington.

S. H. LAMBTON, Secretary.

No. 35.

The Hon. Sir H. A. ATKINSON to the AGENT-GENERAL, London.

Sir,—

General Post Office, Wellington, 2nd November, 1888.

I have the honour to forward copies of correspondence in reference to the increased contribution by the United States Post Office towards the cost of the San Francisco mail-service.

You will observe that the actual payment to be made is now fixed at \$46,000 per annum; but I am as yet without any official advice as to the proportions receivable by New South Wales and this colony.

I have, subject to the concurrence of New South Wales, agreed to the twelve hours' detention of the steamers at San Francisco. I do not, however, think that the proviso will be exercised except when it will be necessary to detain the steamers for the British as well as for the United States mails.

I have, &c.,

H. A. ATKINSON, Postmaster-General.

Sir F. D. Bell, K.C.M.G., C.B., Agent-General for New Zealand, London.