

## Enclosure 2 in No. 29.

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

SIR,— 13, Victoria Street, London, S.W., 29th August, 1890.

I have to acknowledge the receipt of Mr. Rea's letter of yesterday, informing me of the arrangements proposed by the Lords Commissioners of the Treasury for the San Francisco ocean mail-service, if the same should be continued. I immediately telegraphed these proposals to my Government.

While offering my thanks for your communication, I beg leave to point out that it is also essential for me to know what their Lordships are willing to do in regard to the other question I submitted—namely, the service by Direct steamers; because the San Francisco service being only a four-weekly one, the Direct line would also have to be kept up in order to preserve a fortnightly communication. Since writing to you on the 20th instant, I have learnt by cable that my Government have received an alternative offer of a fortnightly service by Direct steamer at a subsidy of £30,000, or of a four-weekly service at a subsidy of £15,000; this offer is without bonus or penalties as to delivery, though I assume delivery is not to exceed forty-five days. The cost of a Direct service having thus been brought within definite figures, whether for carrying all the mails if the San Francisco service is given up, or for alternating with the San Francisco service if continued, I trust the Lords of the Treasury will have no difficulty in deciding what this country should contribute under either alternative, so that I may cable their proposals at once to my Government, and enable the question of accepting the universal rate of 2½d. to be settled before the session of the New Zealand Legislature closes.

I have, &c.,

The Secretary, General Post Office, London, E.C.

F. D. BELL.

## No. 30.

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

SIR,— San Francisco, California, 19th September, 1890.

I have the honour to inform you that I received the following cablegram from the Postmaster-General on the 1st September: "Wellington, 31st August, 1890.—Creighton, San Francisco.—Urgent. Will American Government guarantee free transit Homeward mails Frisco to New York should we renew service?—MITCHELSON."

I at once placed myself in telegraphic communication with the United States Postmaster-General to enable me to reply to this question. Accordingly I wired him as follows: "San Francisco, 1st September, 1890.—Postmaster-General, Washington, D.C.—Postmaster-General New Zealand cabled me: 'Urgent. Will American Government guarantee free transit Homeward mails Frisco to New York should we renew the service?' This cable is explained by my letter to Mr. Brookes, 11th August. England refuses to pay railroad-charges at request New Zealand, all other Australian Colonies having abandoned American route. If United States conveys closed British-Australian mail free across Continent New Zealand might renew contract, thus preserving American-Australian trade, which would be paralysed by discontinuance of Direct mail-service. Respectfully suggest that free railroad-transportation be offered for outward and Homeward mails. Charges for this service annually largely exceed payments to railroads, and your department therefore could afford make this concession without actual loss revenue, besides attaching New Zealand closely to America, and preserving important commercial relations. Please advise promptly by telegraph, as New Zealand Parliament finally considering matter before prorogation.—ROBT. J. CREIGHTON, New Zealand Agent."

I received the following telegraphic inquiry arising out of the foregoing despatch: "Washington, D.C., 2nd September, 1890.—R. J. Creighton, Agent of New Zealand, San Francisco, California.—Telegram received, but not clear. Is it free transmission from Frisco to New York you desire?—JOHN WANAMAKER, Postmaster-General." To which I replied: "San Francisco, 2nd September, 1890.—Postmaster-General, Washington, D.C.—New Zealand cable asks for free transportation from San Francisco to New York, but to remove excuse for London Post Office refusing to despatch New Zealand mail *via* America after October next, because of the railroad charges, I suggested free transportation both ways.—ROBT. J. CREIGHTON, New Zealand Agent."

After four days had elapsed without any definite response from Washington, I again wired: "6th September, 1890.—Postmaster-General, Washington, D.C.—Please inform me what reply to cable New Zealand regarding free railroad-transportation closed British-Australian mail, as New Zealand Postmaster-General desires final answer.—ROBT. J. CREIGHTON, New Zealand Agent."

On the 8th September I received the following cablegram from Wellington of level date: "Creighton, San Francisco.—Reply whether America defray overland transit. Notice resolutions to-morrow; discussion Thursday; House prorogues Saturday.—MITCHELSON." On the same day I again telegraphed to Washington as under: "San Francisco, 8th September, 1890.—Postmaster-General, Washington, D.C.—New Zealand cables to-day, 'Reply whether America defray overland transit charges. Notice of resolutions in House to-morrow. Parliament prorogues Saturday.' Please reply Yes or No, that I may cable result to-night.—ROBT. J. CREIGHTON, Agent New Zealand."

As I did not receive any reply, I cabled next day to the Postmaster-General, Wellington: "San Francisco, 9th September, 1890.—Postal, New Zealand.—No reply from Washington."

On the day following I received the following: "Washington, 10th September, 1890.—R. J. Creighton, Agent New Zealand, San Francisco.—Have submitted to Congress your last two telegrams, and await authority to act. Hope to comply with your request.—JOHN WANAMAKER, Postmaster-General."