

As I understood matters, the permanence and improvement of the Californian mail-service must henceforth depend upon American bounty, and the larger that bounty is the better will it be for the service as a mail- and passenger-route. Already, as intimated in my cable of the 6th October, a special New Zealand product, flax, has been placed on the free list, which is an advantage of £3 per short ton in favour of the producer; and it is simply a question of time and continued friendly action by New Zealand to insure further tariff concessions from the United States.

Although Congress adjourned without taking final action on the Shipping Bills, there is little doubt of their passing during the short session which meets first week in December next. Their enactment will certainly be followed by the employment of faster and more commodious steamers, and with an accelerated railroad time-schedule which is promised next season, and connection with fast Atlantic ships, you will have such rapid transit to England that Victoria and New South Wales will be compelled to use the line for mail-purposes, however much they may dislike doing so. New Zealand now holds the key to the American connection, and it should not weaken its hold upon American sympathy just at the time when it is about to reap the fruits of its past enterprise.

I regret that the joint resolution on railroad charges shared the fate of the Shipping Bills. It stands as unfinished business. I have not communicated with the Postmaster-General on the subject since the prorogation of Congress, but I shall write after the arrival of the mail on the 25th instant, by which I expect to be fully advised of the details of the arrangement between your Government and the Home Post Office. I will then be in a position to present the case fully and intelligently, so that the United States Postal Department may have the exact facts before it. I have every reason to believe that the Postmaster-General will meet the Colonial Government in a liberal spirit, and relieve it of a considerable portion of the burden which the Imperial Government has cast upon it by its changed policy towards the colonial mail-route through America, or, to speak more correctly, through the United States. There will be little chance, however, of the Post Office Department taking up any new business until after the November elections, which will determine the position of parties in the next Congress.

The outgoing mail per "Mariposa" will have despatch on schedule-time. I note with satisfaction that the representations of the Postmaster-General, through the Agent-General, will prevent the despatch of the British mail for New Zealand in slow and unsuitable steamships in future.

I have, &c.,

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

ROBT. J. CREIGHTON.

### No. 37.

The DEPUTY POSTMASTER-GENERAL, Melbourne, to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Melbourne, 31st October, 1890.

The postal authorities in Sydney having notified that your Government has renewed the San Francisco mail-service for twelve months, I am directed to inform you that the Hon. the Postmaster-General, while expressing his satisfaction at this service being provided for, desires it to be understood that this department objects to pay for the sea-conveyance of correspondence from San Francisco. Notice to this effect has already been given to the United States Government, and a postal convention is now in course of preparation between that country and Victoria which includes the provision that each despatching country shall pay all charges to destination. I am to point out that the Washington Office has advised that their department has uniformly paid the conveying steamers for the sea-conveyance of the mails from San Francisco to Sydney, and it is understood that the subsidy paid by the United States in respect of this service has recently been largely increased.

I am to add that at the Intercolonial Postal Conference held at Adelaide in May last, it was resolved that in any future mail-contracts across the Pacific Ocean, if arranged for by the Colony of New Zealand, the other colonies shall pay similar poundage-rates to New Zealand to those paid by the non-contracting colonies for the mail-service *via* Suez, each despatching country or colony paying all charges to destination.

I have, &c.,

The Secretary, General Post Office,  
Wellington.

T. R. JAMES, Deputy Postmaster-General.

### No. 38.

Mr. GRAY to the DEPUTY POSTMASTER-GENERAL, Melbourne.

SIR,—

General Post Office, Wellington, 28th November, 1890.

I have the honour to acknowledge the receipt of your letter of the 31st ultimo, in which you object to pay for the conveyance of inward correspondence *via* San Francisco, and informing me that at the Adelaide Conference it was resolved that in any future Pacific mail-contracts arranged for by New Zealand the same poundage-rates should be paid this colony as are charged non-contracting colonies for the mail-service *via* Suez, each country or colony to pay all charges to destination.

I reply, I have to inform you that the Sydney Post Office had already been advised that non-contracting colonies would be charged on the outward mails only. The rates, however, will be the same as at present levied—namely, letters 25s. 4d. per lb., books, 1s. 6d., and newspapers 6d. per lb. These rates were agreed to by the Secretary, General Post Office, Sydney, as being applicable to non-contracting colonies generally.

I have, &c.,

The Deputy Postmaster-General, Melbourne,

W. GRAY, Secretary.