

strongly, on a perusal of the last report of the Superintendent of Foreign Mails, in which mention is made of the Australian mail-service, and the conditions upon which the American subsidy is to be paid to the Oceanic Steamship Company. I forward copy of this report, with Australian paragraph, page 14, marked for your convenience, and which I desire to have read as part of this letter.

It having come to my knowledge that the Cunard Company's sailing schedule from Liverpool for 1891 fixed the "Umbria's" sailing for the dates of despatch of the outward Australian mail *via* San Francisco, steps were taken to ascertain the fact authoritatively, and a telegram to the New York agents of the Cunard line brought the following reply: "New York, 4th December, 1890. 'Umbria' will leave Liverpool 24th January, 21st February, 21st March, 18th April, and every four weeks thereafter.—VERNON H. BROWN AND Co." A letter from this firm subsequently confirmed the despatch. The Post Office records here show that the "Umbria" arrived at New York from Liverpool during 1890 on the following days: Fridays, nine times; Thursday, once; Saturday, once. If the Friday's arrivals could be counted upon for 1891, the mail would reach San Francisco on Wednesday, accidents excepted; but a reference to the time-schedule between New York, London, and Paris, embodied in Mr. Brooks's report, shows an average of eight days for the "Umbria's" mail; and therefore I think it is safer to assume that the Australian mail by her would arrive at New York in time to be forwarded to this point by the 9.50 p.m. west bound train on Saturday, every fourth week, reaching San Francisco by noon of the Thursday following. With this impression I cabled to the Postmaster-General for authority to change the day of departure of the mail-steamer from San Francisco to Thursday, as follows: "9th December, 1890.—Authorise sailing Thursdays. 'Umbria' brings mails, 1891."

I think this change in the sailing-day is absolutely necessary, as it would shorten the time between London and the colonies by two days, and there is nothing to be gained by a detention of the steamer at this port from Thursday until Saturday. If it should appear, however, that the "Umbria" makes the outward run to New York with regularity on Friday, in time for the transfer of the mail that day, the day of sailing could be changed to Wednesday. It is probable, indeed, should the spring schedule of the overland railroads show a decrease of twelve to twenty-four hours as anticipated, that the change to Wednesday would be necessary, but at present I think it would be injudicious. With the "Umbria" bringing the mails, however, there is no risk whatever in making the change from Saturday to Thursday as suggested in my cable. The new arrangement would only take effect on the February steamer, but to prevent inconvenience and avoid loss, notice of the intended change of schedule should be given as soon as possible. Upon receipt of your authorisation I shall notify the Post Office Department at Washington, so that fresh instructions may be issued to Postmasters as to the dates for making up the Australian mail. Unfortunately this change from a slow to a fast Cunarder will involve the employment of the "Bothnia" to bring out the December mail, which in consequence will probably be behind time in starting from here next month.

An unusually heavy mail goes down to the colonies by the "Alameda."

I have, &c.,

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

ROBT. J. CREIGHTON.

#### Enclosure 1 in No. 46.

MR. CREIGHTON to the SUPERINTENDENT, Foreign Mails, Washington.

DEAR SIR,—

327, Market Street, San Francisco, 19th November, 1890.

I have to thank you for your despatch of the 30th October, expressing regret that lack of authority prevented you ordering the detention of the Atlantic steamer scheduled to sail from New York for England the 1st November, until the arrival of the Australian mail at noon on that day, in response to my request telegraphed to you the 27th October. By the "Zealandia's" mail on the 15th instant I informed the Secretary of the New Zealand Post Office of your courtesy and the interest taken by you in the matter.

I herewith enclose resolution adopted by the New Zealand Legislature authorising the Government to contract for an extension of the mail-service *via* San Francisco and New York for another year, upon the basis of payment by weight for letter-mail only. It is stipulated that the contractors shall pay half the overland railroad charges between San Francisco and New York, the British Post Office paying overland charges on the outward mail between London and San Francisco.

An examination of the terms imposed by the London Office upon New Zealand, however, shows that the entire book- and newspaper-postages on the outward mail *via* San Francisco is deducted by London, apparently to offset the payment of it to the United States Post Office for railroad transportation, and the proportion of Atlantic charges paid the Cunard Steamship Company on account of the Australian mail. It is not so expressed in the arrangement between the London Post Office and New Zealand, but the deductions are made, and the payment to the steamship contractors by New Zealand for the Pacific section of the service is necessarily fixed upon that basis. Unless the contractors agree to these conditions the service is to be discontinued.

This brings the permanence of the Australian mail-service to a practical issue. New South Wales has formally withdrawn, leaving New Zealand the sole contributing and contracting colony, but, as you will perceive from the reduced postage-rates which New Zealand was constrained to adopt, and the deductions made by the London Post Office, it is unable to provide for more liberal payments to the contractors on the Pacific without entailing a serious loss of revenue. In short, New Zealand cannot afford to tax itself to sustain the American mail-route alone, the postal revenue from which it formerly paid the steamship-subsidy having been wiped out. But by this continuance for another year it has again demonstrated its earnest desire to maintain friendly commercial relations with the United States against the very strong pressure put upon it to adopt a different