

the Secretary of the Navy, and strong enough to carry 6in. rifles, and of the highest known maritime rating. There are other provisions in the law for the employment and training of American seamen which need not be enumerated. The employment of "mail messengers" on each mail steamship to be paid under this law is also provided for. The Postmaster-General is to contract for the carriage of the United States mail on the foregoing basis for a period of not less than five nor more than ten years.

The main significance of this law is that it affirms the policy of compensating American ships for carrying the United States mail, and recognises the necessity of supplementing the new navy, which is being built, by an effective mercantile marine, which shall have the duty imposed upon it of training crews to man the national ships, instead of enlisting men of all nations as at present. The law does not go far in the way of compensation, but this is a matter which subsequent legislation will set right. It is sufficient, however, for present purposes, and the country having been committed to this policy will insist upon its being vigorously carried out no matter which party is in power. The leading Democratic papers now admit that the law is a good one. The rating of the Oceanic steamships "Alameda," "Mariposa," and "Australia," complies with the requirements of the Navy Department; and I have been informed that it is in contemplation to enter into a ten years' contract. There is no provision in the law for payment to foreign ships carrying the United States mail, this being determined by the Post Office Act. The section bearing upon this point has been quoted in my former correspondence.

I am not prepared to say that the tariff will be modified in the next Congress, because while the Democratic party controls the House the Republicans hold the Senate and Executive. Everything will depend upon the financial results of the McKinley Bill, and as Congress does not meet until next December, there will be time to test it approximately. Should there be an indication of a deficit at the close of the fiscal year it is probable that the sugar-duty will be reimposed, while the duty on wool may be reduced to encourage imports and stimulate manufactures. Meantime I think it would be advisable for New Zealand to develop its American trade as much as possible, thereby placing itself in a position where it might be recognised in any fiscal changes looking to the extension of American trade with the Australasian group of colonies. This would be in the line of Mr. Blaine's reciprocity policy, which has so far found favour with the majority of the American people. The Ocean Postal Subsidy Act will be used to strengthen this policy as far as possible.

The "Alameda" cannot sail before Saturday the 7th instant. This delay is partly caused by the detention of the first part of the British mail, which arrived at New York after the "Umbria," and too late to make connection with the west-bound train on Sunday night which brought the "Umbria's" mail here this forenoon. The "Umbria" sailed from Liverpool on Saturday, and was reported at New York the following Saturday night. The first part of the British mail was shipped from Liverpool by the "Adriatic," sailing on Wednesday, three days before the "Umbria," and it cannot arrive here before to-morrow. I would suggest that the London Post Office be requested hereafter to send the first portion of the mail, if it is divided, at least a week ahead of the "Umbria" to avoid the possibility of detention similar to the present. The weather is still stormy on the Atlantic and the passages slow. With better weather I hope to get the Thursday's sailing carried out.

I reported the departure of the "Monowai" by cable. I trust she has been fortunate in making a good passage down.

I received the following cable, since the date of my last letter, from the Hon. Postmaster-General; "Wellington, 20th February, 1891.—To Creighton, San Francisco.—Commencing this month sailing Sydney, Monday; Auckland, Saturday. Permanent. Advise Post Office.—WARD."

The outgoing mail will be a heavy one.

I have, &c.,

William Gray, Esq.,

ROBT. J. CREIGHTON.

Secretary, Post Office, Wellington, New Zealand.

#### No. 56.

AUTHORITY for the POSTMASTER-GENERAL to enter into a CONTRACT with the UNION STEAMSHIP COMPANY of NEW ZEALAND (LIMITED).

To the Hon. Joseph George Ward, Postmaster-General.

IN pursuance of the provisions of section 8 of "The Post Office Act, 1881," I, William Hillier, Earl of Onslow, the Governor of the Colony of New Zealand, do hereby direct you, Joseph George Ward, the Postmaster-General of the said colony, in your own name, to enter into a contract in writing, on behalf of the Government of the said colony, with the Union Steamship Company of New Zealand (Limited) for the carriage of mails each way between New Zealand and San Francisco, America, for a period of twelve months from the fifteenth day of November, 1890; the contract to be subject in all respects to such terms and conditions as to you shall seem fit.

Given under my hand at Wellington, in the said colony, this ninth day of February, 1891.

ONSLow, Governor.

#### No. 57.

DRAFT OF AGREEMENT BETWEEN THE UNION STEAMSHIP COMPANY OF NEW ZEALAND (LIMITED) AND THE POSTMASTER-GENERAL OF NEW ZEALAND.

ARTICLES OF AGREEMENT made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, one thousand eight hundred and ninety-one, between the Honourable JOSEPH GEORGE WARD, the Postmaster-General of the Colony of New Zealand, appointed as such Postmaster-General under "The Post Office Act, 1881," and acting for and on behalf of the Government of the said colony, of the one part,