

contract for the service *via* San Francisco expires next year. The same question therefore has now arisen again which I brought before the Post Office two years ago.

I need hardly say that the careful attention of my Government has been directed, especially by the discussions at the recent Colonial Conference, to the project for establishing a new ocean mail-service between Vancouver and Australia. The impression which they derived from those discussions was that while the Imperial Government would hardly be disposed to entertain a Vancouver service after having engaged with the three colonies of New South Wales, Victoria, and South Australia to maintain the mail-service *via* Suez, it was even less likely that those colonies would immediately join in setting up a rival line. As regarded New Zealand, at any rate, it was always certain that the Vancouver project would receive no support, so long as it merely contemplated a branch line to Auckland from Fiji.

Whatever, therefore, may be the ultimate development of that project, it does not seem ripe for immediate action. In the meanwhile the question of renewing the existing service *via* San Francisco will have to be decided; and such a renewal must necessarily depend, to a great extent, upon the course which the Imperial Post Office may take in regard to carrying the New Zealand mails. The question, therefore, which I have to beg you to lay before the Postmaster-General is whether, in the event of New Zealand deciding to maintain the San Francisco service for a further term, Her Majesty's Government would, on their part, continue to carry the New Zealand mails for such further term under the present conditions as to payment of cost and division of postage.

The Secretary, General Post Office, St. Martin's-le-Grand.

I have, &c.,
F. D. BELL.

No. 15.

The Hon. Major ATKINSON to the AGENT-GENERAL, London.

SIR,—

General Post Office, Wellington, 30th November, 1887.

I have the honour to acknowledge the receipt of your letter of the 22nd September last, forwarding a copy of the one you addressed to the Secretary of the General Post Office on the 12th idem, inquiring whether, in the event of the San Francisco service being renewed for a further term, Her Majesty's Government would continue to carry the New Zealand mails under the present conditions as to payment of cost and division of postage.

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

I have, &c.,
H. A. ATKINSON,
Postmaster-General.

No. 16.

The AGENT-GENERAL to the Hon. the PREMIER, Wellington.

(Telegram.)

London, 3rd December, 1887.

Fr'isco.—English Government will carry mails for us at present until present contract expires.
To the Premier, New Zealand.

No. 17.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

7, Westminster Chambers, London, S.W., 19th October, 1887.

I beg to enclose herewith copy of a letter I have received from the Imperial Post Office in reply to my request for a continuance of the existing arrangements for carrying the New Zealand mails *via* San Francisco, from which you will see that the Lords Commissioners of Her Majesty's Treasury refuse to renew those arrangements for an indefinite time after the expiry of the present San Francisco contract, and have not even decided whether they will continue them for the short period between the 31st January, 1888, and the date when that contract comes to an end. I also enclose copy of my reply, in which I point out that I did not ask for a renewal of the present division of postage for an "indefinite time," and I ask that it should be continued for, say, three years, or, if that is refused, then I inquire what other division would be insisted upon. I have taken upon myself to name three years, because, without some specified time, a further proposal would have been useless.

Although there is no apparent connection between this question and the one that is now pending in regard to the new contract lately arranged for the service *via* Brindisi and Suez, there is, in reality, a close relation between the two. You are aware that the differences between Her Majesty's Government and the Governments of New South Wales, Victoria, and South Australia, respecting the Australian service, have arisen out of the demand made by the Imperial Treasury for a larger share of the postal receipts than the colonies had expected; and, so long as these differences are unsettled, the Treasury will hardly be persuaded to engage for a continuance of the present division of postage in the case of the San Francisco service. But, besides this, you have to take into account the new phase into which the Vancouver postal scheme has entered. Since I wrote to you on the 4th instant, the Imperial Treasury has instructed the Post Office to place itself in communication with the Canadian Pacific Railway Company, to settle the details of the new service to China and Japan *via* Vancouver. The Railway Company wanted a subsidy of £60,000 from the Imperial Government, but the Treasury would not give so much, and asked the Dominion Government to contribute. The latter did not think they ought to give anything, but