

continuing a Pacific service, and would not be disinclined to entertain one *via* Vancouver if it could be established on favourable terms, and with a "through-time" equal to that by San Francisco. My Government are in communication with the Canadian Government on the subject, and pending their negotiation, the question of an immediate renewal of the San Francisco service is held over, though power will most likely be taken to act during the approaching recess of the New Zealand Parliament.

While, therefore, there will be more time than I expected when I last addressed you for considering the whole subject of the Pacific Ocean service, the negotiation between the Governments (of the Dominion, and of New South Wales and New Zealand) makes it all the more necessary that the preliminary question of the apportionment of postage should be settled with the Imperial Post Office.

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

I have, &c.,

F. D. BELL.

No. 33.

The Hon. Sir H. A. ATKINSON to the AGENT-GENERAL, London.

SIR,—

General Post Office, Wellington, 8th March, 1888.

I have the honour to forward you copy of a letter from the Postmaster-General of Canada, in reply to the one I addressed to the Right Hon. Sir John Macdonald on the 5th November last, copy of which was sent you with my letter of the same date, as to the possibilities of establishing a Pacific mail-service, *via* Vancouver. Mr. McLelan's letter does not give all the desired information, and by the next San Francisco mail I purpose asking for more definite particulars.

You will observe that the service said to be contemplated by the Canadian Pacific Railway Company makes Brisbane the first and last Australian port of call, but excludes any port in New Zealand as a port of call for the main boats—Auckland to be served by a branch line from Fiji. Any service of such a character will not be acceptable to the colony; and I do not think the House would vote a subsidy to any line which did not provide for the main boats calling at Auckland, or some New Zealand port. The former branching at Fiji, even with the main boats running through alternately to Sydney and New Zealand, proved most unsatisfactory, and the contractors—the Pacific Mail Company—were only too glad when relieved from calling at Fiji, and allowed to run through between San Francisco, Auckland, and Sydney. With an exclusively transshipping service, such as is now proposed, all mails, passengers, and cargo to and from New Zealand would have to be transhipped at Fiji, to the colony's serious disadvantage.

The reason for proposing to serve New Zealand with a branch line—namely, that the voyage to the terminal port would be unduly prolonged were the main boats to call at Auckland—I attach but little weight to, as any Pacific service to Australia must be regarded as more in the interests of commerce than for mail purposes. But to New Zealand it is all important as a mail line by which its European mails can be delivered more quickly than by any other route. Australia, on the other hand, relies on the Peninsular and Oriental and Orient services for the exchange of its mails with the United Kingdom, &c., and for years past New South Wales has ceased to look upon the San Francisco service as a mail-line.

Your letter of the 16th December last reached me on the 29th January by the direct mail, but Cabinet has been unable to give the Pacific mail-service question any consideration whatever, owing to other pressing business. I hope, however, that the matter may be taken up before the departure of the San Francisco mail. I shall take the earliest opportunity of informing you definitely of the views of the Government. For the same reason I have deferred communicating with the Government of New South Wales. I have no knowledge whether the proposal to "fork" at Fiji and to make Brisbane the first and last Australian port of call does or does not meet with the approval of that Government.

It is rumoured that a representative of the Canadian Pacific Railway Company has visited Australia, and has met with encouraging promises of support for establishing a Pacific service to Australia, connecting with the Canadian Railway. I cannot say if this is the case, but no such representative has visited this colony officially or communicated with the Government.

The question of the service was referred to incidentally at the late Postal Conference, but, beyond deciding to print Captain Rounding's letter, which you will find at page 48 of the printed papers, nothing was done.

Referring again to your letter, I approve of your negotiating informally with Sir Charles Tupper, and I will urge the Postmaster-General of New South Wales to empower Sir Daniel Cooper to act with you. You may receive instructions by cable before this reaches your hands should New South Wales approve of Sir Daniel Cooper acting with you.

I have, &c.,

Sir F. D. Bell, K.C.M.G., C.B.,

H. A. ATKINSON, Postmaster-General.

Agent-General for New Zealand, London.

No. 34.

The Hon. Sir H. A. ATKINSON to the PREMIER, Sydney.

(Telegram.)

Wellington, 4th April, 1888. ~~2766~~

PACIFIC mail-service: Have received communication from Postmaster-General, Canada, and am sending you copy. Our Agent-General is inquiring as to possibilities Canadian service. He suggests that it would facilitate matters were Sir Daniel Cooper and he empowered to