

confer with Sir Charles Tupper and to come to some provisional agreement with the Imperial Treasury and Post Office, subject to ratification by respective Governments. It is thought Imperial Government may contribute towards cost of a Canadian Australian service, and Canada would be disposed to give substantial assistance. If you concur with Bell would you instruct Sir Daniel to act, and advise me. I would be glad to learn your views generally. The service contemplated by Canadian Government and railway is one to connect New Zealand by branch with Fiji, and to make Brisbane first and last port of call in Australia. Any service, however, which provides for serving this colony with a branch line would be unacceptable, and would not be entertained by Parliament. Personally I am inclined to favour calling for public tenders, either *via* Frisco or Canada, on such lines as may be agreed upon by our Governments. Am still without reply as to the twelve months' renewal with present contractors. May I ask for your early decision?

The Hon. the Premier, Sydney.

H. A. ATKINSON.

No. 35.

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

SIR,—

Premier's Office, Wellington, 6th April, 1888.

Referring to my telegram of the 4th instant (copy herewith), I have now the honour to forward you the copy of the communication received from the Postmaster-General, Canada. I also enclose copy of the letter I addressed to the Hon. the Premier of Canada, to which Mr. McLelan's is a reply. My letter was written prior to Government having determined to ask Parliament for authority to arrange for a continuance of the present San Francisco service for twelve months. I purpose addressing Mr. McLelan by the next San Francisco mail, and asking for more definite information on several points dealt with in his letter.

I have, &c.,

The Hon. the Premier, Sydney.

H. A. ATKINSON.

No. 36.

The Hon. Sir H. A. ATKINSON to the Hon. the POSTMASTER-GENERAL, Ottawa, Canada.

SIR,—

Premier's Office, Wellington, 20th April, 1888.

I have the honour to acknowledge the receipt of your letter of the 29th December last, in reply to the one I addressed to the Right Hon. Sir John Macdonald on the 5th November, inquiring as to the possibility of a mail-service being established between the colonies and Great Britain by way of Canada, and as to the probable assistance your Government might be disposed to give towards the cost of such a line.

I have to thank you for your courtesy in so promptly replying to my letter, and for the very interesting and valuable information you have been good enough to give me, and also for the promised support of your Government in favour of a Pacific Canadian mail-service.

I observe that, by the service suggested by the Canadian Pacific Railway Company, it is proposed that New Zealand shall be served by a branch line between Fiji and Auckland, as the company considers that to require the main boats to call at Auckland would unduly prolong the voyage to the terminal port in Australia. I may at once say that any Pacific service which did not provide for the main boats calling at New Zealand could not be considered by this Government. The branching at Fiji would render any Pacific service of but little commercial advantage to New Zealand, on account of the drawbacks connected with the transshipping, which would injuriously affect, if not destroy, in time, both passenger- and cargo-traffic. There are no facilities at Fiji for vessels of large tonnage, or for the work of transshipping; and I fear the Pacific Railway Company has not weighed sufficiently the disadvantages of "forking" at Fiji. Making Auckland a port of call would lengthen the voyage to Australia; but when the delays, which would be inseparable from transshipping at Fiji, are taken into consideration, the difference would be found to be only two or three days, which would scarcely affect the value of the service to Australia.

In connection with the overland transit of the mails, I should be glad of some additional information. I note that the mails from New Zealand, in their passage through Canada, would be treated in all respects as Canadian mails, and that they would probably be subject to the ordinary territorial transit charges. I would feel much obliged by your informing me of the nature of these charges. Whether the rates would be the same as contemplated by the Postal Union, or whether some other special rate would be levied. I assume that the overland transit of the mails from Great Britain and from any other country for the colonies would be defrayed by the Offices of Despatch; but I shall be glad to be informed on this point also.

I have, &c.,

The Hon. the Postmaster-General, Ottawa, Canada.

H. A. ATKINSON.

No. 37.

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

SIR,—

7, Westminster Chambers, London, S.W., 24th April, 1888.

I have to acknowledge, with many thanks, your letter of the 8th March on the subject of a Pacific mail-service *via* Vancouver.

I need hardly say how entirely I agree with the argument of your letter; and, as the key of the position is really in your hands, there is every reason for New Zealand to continue firm in the refusal to give a subsidy to any line the main boats of which do not call at some port in the colony. Whatever may be the rumours of a favourable reception in Australia to the emissary of the Canadian