

1888.

NEW ZEALAND.

PACIFIC MAIL-SERVICES

(PAPERS RELATIVE TO).

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

Mr. JAMES MILLS to the SECRETARY, General Post Office, Wellington.

SIR,—

Dunedin, 3rd March, 1887.

San Francisco Mail Contract.—I have the honour to enclose claim for refund of the portion of the American subsidy, deducted by the Postal Department to date. When the contract was made between the Government and ourselves the agreement was that we were to receive the whole amount paid for the carriage of United States mails, and, in addition, one-third of a sum of £4,000 per annum, which the United States Government had agreed to give by way of subsidy. This is borne out by Clause 10 of the contract. Up to the present we have not received anything in excess of a sum equal to £4,000 per annum, and we therefore claim that the payments so made are really on account of our own mail-money, and that no payment has yet been made by the United States Government on account of the subsidy which was to be apportioned between the New Zealand and New South Wales Governments and ourselves.

I have, &c.,

JAMES MILLS,

Managing Director.

The Secretary, General Post Office, Wellington.

No. 2.

Mr. GRAY to the SUPERINTENDENT of FOREIGN MAILS, Washington.

SIR,—

General Post Office, Wellington, 26th March, 1887.

I have the honour, by direction of the Postmaster-General, to inform you that the contractors for the San Francisco mail-service make the following representations: "When the contract was made between the Government and ourselves the agreement was that we were to receive the whole amount paid for the carriage of United States mails, and, in addition, one-third of a sum of £4,000 per annum, which the United States Government had agreed to give by way of subsidy. This is borne out by Clause 10 of the contract. Up to the present we have not received anything in excess of a sum equal to £4,000 per annum, and we therefore claim that the payments so made are really on account of our own mail-money, and that no payment has yet been made by the United States Government on account of the subsidy which was to be apportioned between the New Zealand and New South Wales Government and ourselves." The contractors therefore claim a refund of the proportions of the payment at the rate of £4,000 a year, now being made by your office, and which have been deducted by the contracting colonies from the subsidy, in terms of Clauses 10 and 11 of the contract, a copy of which is herewith enclosed.

I take the liberty to draw your attention to the letters of the 2nd April, 1886 (*vide* No. 86, F.-3, 1886), and the 31st July (not printed), from your office, and to the cablegrams of the 23rd September, 1885 (*vide* Nos. 19 and 20, F.-3, 1886), from the Postmasters-General of the United States and this colony, concerning a contribution of £4,000 a year by your department to the present service in excess of the payments then being made for carriage of American mails, and to ask you to be so good as to inform me, for the information of the Postmaster-General, whether the £4,000 mentioned by the contractor is in excess of the mail-money formerly paid.

I have, &c.,

W. GRAY,

Secretary.

The Superintendent, Office of Foreign Mails,
Post Office Department, Washington, D.C.

No. 3.

Mr. JAMES MILLS to the SECRETARY, General Post Office, Wellington.

SIR,—

Dunedin, 13th April, 1887.

I have the honour to acknowledge receipt of your favour of the 24th ultimo, seeking confirmation of the draft copy of the articles of agreement embodying the modifications and alterations in the San Francisco service mail contract, forwarded by you on the 25th February last.

The general tenor of the agreement appears to be in order, but I have delayed returning it in the hope that some information would be communicated throwing light upon the clause of Section 5, providing for the division of the contribution payable by the United States Government. As I have already had the honour of advising you, it was stipulated in the original contract (Clause 10) that the contractors were to receive the whole amount paid by the United States Government for the carriage of their mails, and, in addition, one-third of a sum of £4,000 per annum, which the United States Government had agreed to give by way of subsidy in excess of mail-money. So far the Governments of New Zealand and New South Wales have deducted from us each a third of the sum of £4,000, while we have received nothing from the Government of the United States beyond payments at the rate of £4,000 per annum, and these we consider to be payable on account of mail-money, and therefore our exclusive property. Clause 5 of the new agreement does not make it quite clear that the New Zealand and New South Wales Governments recognise this.

I have, &c.,

JAMES MILLS,

Managing Director.

The Secretary, General Post Office, Wellington.

No. 4.

The SUPERINTENDENT of FOREIGN MAILS, Washington, to the Hon. the POSTMASTER-GENERAL, Wellington.

Post Office Department, Office of Foreign Mails,

SIR,—

Washington, D.C., 16th May, 1887.

I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of your letter of the 26th of March last, advising this department that the contractors for the San Francisco mail-service make the following representations: "When the contract was made between the Government and ourselves the agreement was that we were to receive the whole amount paid for the carriage of United States mails, and, in addition, one-third of a sum of £4,000 per annum, which the United States Government had agreed to give by way of subsidy. This is borne out by Clause 10 of the contract. Up to the present we have not received anything in excess of a sum equal to £4,000 per annum, and we therefore claim that the payments so made are really on account of our own mail-money, and that no payment has yet been made by the United States Government on account of the subsidy which was to be apportioned between New Zealand and New South Wales Governments and ourselves;" and inquiring with reference to previous correspondence whether the £4,000 mentioned by the contractors is in excess of the amounts formerly paid by this department for similar service.

In reply, I am directed to inform you that the payments of \$5,000 per quarter, which this department has made to Messrs. J. D. Spreckels and Brothers, for services rendered by the Oceanic Steamship Company since the 21st of November, 1885, under contract for the San Francisco mail-service, referred to in your letter under reply, have not been \$5,000 in addition to the sums allowed for similar services rendered prior to the 21st November, 1885, but are estimated to be \$1,000 per quarter in excess of said sums (\$4,000 per annum), which was understood to be the proposition submitted in your telegram of the 23rd September, 1885, as was fully explained in my letter of the 2nd April, 1886, transmitting a copy of said telegram as received at this department in reply to yours of the 26th February. That said sums of \$5,000 per quarter were in full compensation for the conveyance of United States mails transported by vessels of the Oceanic Steamship Company, under the contract above referred to, Messrs. J. D. Spreckels and Brothers were informed by letters dated 11th May and 2nd October, 1886, respectively, which advised them of the orders of the Postmaster-General relative to the rates of compensation to be allowed by this department for the services in question. I am directed to inform you further that, under these circumstances, the Postmaster-General does not feel authorised to make any additional allowance for the conveyance of said mails.

I have, &c.,

NICHOLAS M. BELL,

Superintendent of Foreign Mails.

The Hon. the Postmaster-General, Wellington, New Zealand.

No. 5.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 3rd December, 1887.

I have the honour, by direction of the Postmaster-General, to forward you the accompanying copy of correspondence between the Superintendent of Foreign Mails, Washington, and this office, on the matter of the United States contribution of \$20,000 a year towards the cost of the San Francisco mail-service.

The contractors assert that the payment now being made to them by the United States Post Office is not in excess of the sum they would otherwise be entitled to receive for the carriage of the

United States mails, and therefore claim that the amount shall not be divided with the contracting colonies.

From the reply of the Superintendent, Foreign Mails, Washington, it appears that the annual payment of \$20,000 represents a sum of only \$4,000 in excess of the amount formerly paid for the carriage of the United States mails, and that a larger contribution will not be made. It therefore seems to the Postmaster-General that, as the payment is not of the nature contemplated by Clause 10 of the contract, the contractors have a reasonable claim for relief. Major Atkinson would be glad if you would submit the question to your Postmaster-General for his consideration and expression of opinion.

I also enclose copy of printed paper No. F.-3, 1886, in which will be found the early correspondence in connection with the application to the United States Post Office for a special contribution to the San Francisco service. I am to express the Postmaster-General's regret for the delay which has occurred in communicating with your office on this matter.

The Secretary, General Post Office, Sydney.

I have, &c.,
W. GRAY, Secretary.

No. 6.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 3rd April, 1888.

Adverting to my letter of the 3rd December last,* in the matter of the claim made by the San Francisco mail-service contractors for refund of the amounts deducted from the subsidy-payments in respect of the United States Post Office's annual contribution of \$20,000, I am to ask you to favour me with an early reply, as the contractors are pressing for an answer.

The Secretary, General Post Office, Sydney.

I have, &c.,
W. GRAY, Secretary.

No. 7.

The Hon. Mr. ROBERTS to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 25th April, 1888.

HAVE considered the Union Company's claim for refund of amount deducted from subsidy on account of American contributions, and am of opinion that they are entitled to refund by each colony at rate of one thousand and sixty-six pounds thirteen and fourpence per annum from date commencement of contract, namely, twenty-first November, eighteen eighty-five. As far as this colony is concerned I should be glad to place amount upon our next estimates, but it is doubtful whether money can be voted until next session of Parliament.

The Postmaster-General, Wellington.

CHAS. J. ROBERTS,
Postmaster-General.

No. 8.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company of New Zealand, Limited, Dunedin.

(Telegram.)

Wellington, 11th May, 1888.

POSTMASTERS-GENERAL agree that your company entitled to refund at the rate of one thousand and sixty-six pounds thirteen shillings and fourpence per annum from each colony, in respect of United States Post Office contribution.

James Mills, Esq., Union Company, Dunedin.

W. GRAY.

No. 9.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company of New Zealand, Limited, Dunedin.

SIR,—

General Post Office, Wellington, 16th May, 1888.

I have the honour to confirm my telegram of the 11th instant informing you, in reference to the claim put forward in your letter to this office of the 3rd March, 1887, for refund of the amounts deducted from your subsidy-payments in respect of the annual contribution to the United States Post Office of \$20,000 towards the cost of the San Francisco service, that the Postmasters-General have now agreed that your company, as contractors, are entitled to a refund of £1,066 13s. 4d. per annum from each colony from the date of the commencement of the service, the 21st November, 1885.

To make it clear that the contractors are not entitled to claim the whole of the £4,000, I send you copy of letter from the Superintendent of Foreign Mails, Washington, of the 16th of May last,† from which you will observe that the annual contribution of \$20,000 is estimated to be \$4,000 in excess of the postage payments for the conveyance of United States mails by the San Francisco service at the time the contract with your company was entered into. Two-thirds of this lesser sum is therefore receivable by the colonies, the other third by the contractors; and you are entitled to claim only £3,466 13s. 4d. of the £4,000.

The refunds will be made so soon as the colonies obtain Parliamentary authority to pay. In the meantime, this office will cease to make the deductions, and subsidy payments will be made at the rate of £24,400 a year, commencing with the inward voyage of the "Zealandia." I have suggested to the New South Wales Post Office to do the same.

The Managing Director, I have, &c.,
Union Steamship Company of New Zealand (Limited), Dunedin. W. GRAY, Secretary.

No. 10.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

General Post Office, Sydney, 4th May, 1888.

Adverting to your letter dated the 3rd ultimo, and to the telegram sent in reply by the Postmaster-General on the 25th idem, stating that he was of opinion that the Union Steamship Company are entitled to a refund by each colony (New Zealand and New South Wales) at the rate of £1,066 13s. 4d. per annum from commencement of the contract, 21st November, 1885, in respect of the amounts deducted from their subsidy-payments on account of American contributions, I have the honour to state that it is deemed advisable to explain precisely how the amount named is arrived at.

The total subsidy payable by the colonies to the company became diminished by the company undertaking to obtain from the United States "£4,000 a year in excess of present payments for the carriage of the United States mails," this £4,000 to be equally divided between New Zealand, New South Wales, and the company, thus reducing the share of subsidy each colony had to pay by £1,333 6s. 8d. a year, which amount has been deducted accordingly.

In, however, admitting the claim of the company to a refund, by reason of their not having obtained the expected contribution of £4,000 a year from America, it must be borne in mind that they have obtained a portion of such contribution—viz., £800 a year. It seems that the Postmaster-General, Washington, understood the £4,000 to include certain gratuities previously paid by the United States for carriage of its mails, which amounted to about £3,200 a year, and this left the excess amount of only £800, and above which sum he now declines to make any further allowance.

As therefore the company have received a portion of the £4,000, it is thought this should be taken into account in making the refund, and that the £800 obtained should be equally divided between New Zealand, New South Wales, and the company, as the larger amount would have been had the company obtained it; in other words, that each of the three parties is entitled to one-third, or £266 13s. 4d., of the £800.

The following will, I think, make the matter clear at a glance. The colonies of New Zealand and New South Wales have deducted from the subsidy, on account of the American contribution of £4,000 a year the company undertook to collect, £2,666 13s. 4d. a year; but the company only collected £800, two-thirds of which, £533 6s. 8d., goes to the colonies, leaving to be refunded £2,133 6s. 8d. a year, or half of that sum, £1,066 13s. 4d. a year, by each colony from the 21st November, 1885. The amount last named will be placed upon the estimates of this department for submission to Parliament.

The Secretary, General Post Office, Wellington.

I have, &c.,

S. H. LAMBTON, Secretary.

No. 11.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

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

I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of the Hon. Mr. Roberts's telegram of the 25th April last (copy enclosed), conveying his opinion that the San Francisco mail-service contractors are entitled to a refund by each colony at the rate of £1,066 13s. 4d. per annum, from the commencement of the service, in respect of the subsidy—deductions made under clause 10 of the contract. I have also to acknowledge your letters of the 4th and 10th ultimo (not printed) on the same subject.

The Postmaster-General desires me to say that he entirely concurs in Mr. Roberts's opinion, and with the amount calculated to be refunded by each colony. The contractors have been duly informed.

Commencing with the inward voyage of the "Zealandia," just completed, this office intends to pay the contractors their full share of this colony's proportion of the subsidy, less, of course, one-third of £800. I would suggest that your office should do likewise in respect of your colony's payments.

The Secretary, General Post Office, Sydney.

I have, &c.,

W. GRAY, Secretary.

No. 12.

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

SIR,—

7, Westminster Chambers, London, S.W., 7th September, 1887.

It will be in your recollection that in your telegram of the 17th April last (not published), you raised the question whether the Imperial Post Office would continue to carry the New Zealand mails as far as San Francisco if a new contract for that service were arranged on the expiration of the present one.

This question was necessarily mixed up at that particular time with the project for establishing

a postal line from Vancouver to Australia, which was before the Colonial Conference; but you had clearly expressed a doubt, in your letter of 16th March, 1886 (*vide* No. 82, F.-3, 1886), whether a Vancouver line would give New Zealand so good a service as the San Francisco, being without much attraction at present for either passengers or trade.

The discussions on the subject in the Conference were not of a practical character, as you will have seen from my reports to the Premier. * * * * So far as New Zealand was concerned, at any rate, no Vancouver project could have any support which rested on a branch line from Fiji.

Since April, however, events have been tending in a different direction. Strong pressure is being steadily applied in a quiet way in favour of establishing a great postal line to the East, passing entirely, in America, through British territory. It is true that even now there is no definite scheme before the Imperial authorities for a line between Vancouver and Australia, and that the only proposals under consideration relate to a fast line from Vancouver to China and Japan. But this is only a first step in advance, and the Canadian Pacific Railway Company are wisely confining their efforts to it for the present, while reserving the intention of vigorously taking up the Australian line if they succeed in getting a China contract. Then will arise, again, the same situation which we all knew lay behind the talk at the Conference. The Imperial Government will not move until the Australian Colonies have declared themselves, so that it may safely be said that the decision will lie rather with Victoria and New South Wales than with the London Post Office. But no one can say what would happen if a fast line to China and Japan were established with an Imperial subsidy. If I may give my own impression it is that such a line would carry the day, and that its extension to Australasia would only be a matter of time.

In view of the expiration of the present San Francisco contract next year, the importance of the point raised by your telegram of 17th April was, of course, very clear. It would not, however, have been prudent to bring the question forward at that particular time, and it was necessary to be very careful in choosing a proper moment to do so. That time has apparently now come, and I shall presently address the Post Office formally with a request that, if the San Francisco contract is renewed, they should continue to carry your mails for the term of renewal under the existing conditions as to payment of cost and division of postage.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

No. 13.

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 7th September last, in which you state that you were about to inquire whether the Imperial Post Office authorities would continue to carry the colonial mails between London and San Francisco in the event of a new San Francisco service contract being entered into, and also review the probabilities of a postal line from Vancouver to Australia.

My letter of the 5th instant* will have informed you that we had addressed the Government of Canada on the matter of a Vancouver–New Zealand–Australian line. By next month's mail I shall probably be able to inform you on the nature of the negotiations, if any, Parliament may have authorised the Government to undertake for renewing the San Francisco service, or for establishing a Canadian Pacific line.

I have, &c.,

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

H. A. ATKINSON,

Agent-General for New Zealand, London.

Postmaster-General.

No. 14.

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

SIR,—

7, Westminster Chambers, London, S.W., 22nd September, 1887.

In continuation of my letter of the 7th instant, I beg to enclose copy of a letter I addressed to the Imperial Post Office, 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 for such further term under the present conditions as to payment of cost and division of postage.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

Enclosure in No. 14.

The AGENT-GENERAL to the SECRETARY, General Post Office, London.

SIR,—

7, Westminster Chambers, London, S.W., 12th September, 1887.

I beg permission to bring the following matter affecting the mail-service *via* San Francisco under the consideration of Her Majesty's Postmaster-General.

It will be in your recollection that in May, 1885, in answer to an inquiry from me whether the then existing postal arrangements for the carriage of the New Zealand mails would be maintained until January, 1888, I was informed that there was no intention of disturbing them before the expiration of the mail contract with the Peninsular and Oriental Company. It is understood that a new contract has been arranged for the continuance of the mail-service *via* Suez, while the present

* *Vide* No. 80.

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

nevertheless agreed to a contribution of £15,000, and the subsidy is to be divided in those proportions. New and powerful steamers are to be built for the service. I have still reason to think, as I mentioned in my letter of the 7th September, that when the China-Japan contract is signed, the Canadian Pacific Company will endeavour to take up the Australian line separately with another set of fast steamers; and, as the Imperial Government are aware of this, I imagine they will be chary of entering into any engagement that may seem to be adverse to Canada, or of saying beforehand what they would do on the hypothesis of the San Francisco contract being renewed. If I am right in this view you will probably see the importance of an early decision on the question of renewing that contract.

I take this opportunity of enclosing some extracts from the *Times* relating to the saving of time that is alleged to be obtainable by the Vancouver route.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. D. BELL.

Enclosure 1 in No. 17.

The IMPERIAL POST OFFICE to the AGENT-GENERAL, London.

SIR,—

General Post Office, London, 17th October, 1887.

The Postmaster-General has referred to the Lords Commissioners of Her Majesty's Treasury the question raised in your letter of the 12th ultimo as to the duration of the present arrangements for apportioning between this country and New Zealand the cost of the conveyance of mails *via* San Francisco and the postage earnings on the correspondence.

On this question Mr. Raikes has now received their Lordships' reply, and I am directed to inform you that they have decided not to continue the present arrangements for an indefinite time after the lapse of the present colonial contract, on the 21st November, 1888. The question whether the arrangements referred to can properly be extended from the 31st January next to the 21st November, 1888, is at present under consideration at the Treasury, and as soon as a decision is received here the Postmaster-General will cause it to be communicated to you.

I have, &c.,

Sir Francis Dillon Bell, K.C.M.G., C.B.

C. H. B. PATEY.

Enclosure 2 in No. 17.

The AGENT-GENERAL to the SECRETARY, General Post Office, London.

SIR,—

7, Westminster Chambers, London, S.W., 18th October, 1887.

I have had the honour to receive your letter of yesterday, informing me that the Lords Commissioners of Her Majesty's Treasury have decided not to continue the present arrangements as to divisions of postage in the carriage of New Zealand mails *via* San Francisco for an indefinite time after the lapse of the existing colonial contract, and that the question whether these arrangements will be extended, even for the period between the 31st January next and the date when the contract expires, is still unsettled.

I venture to request that the decision you now notify to me may be reconsidered by their Lordships. It was not my intention to ask for the existing arrangements to be continued for an "indefinite time," and my Government will readily recognise that there must be a limit. But, on the other hand, their Lordships would hardly deem it right to bring these arrangements suddenly to an end without the indication of any alternative in a postal question which is certainly not of less importance to the large correspondence from this country than it is to the correspondence that comes from New Zealand. I trust, therefore, that the Postmaster-General will be good enough to bring the matter again before the Treasury, with the view of fixing a definite term, say, three years, during which the present arrangements would be continued in case the San Francisco contract is renewed; but in the event of the Treasury having finally decided not to renew the present division of postage at all, then I would ask, what other division would be insisted upon as the London share? The question of renewing the San Francisco contract must necessarily be settled almost immediately; and I would request that the decision of their Lordships may be intimated to me as soon as possible, so that I may telegraph the same to my Government.

I have, &c.,

The Secretary, General Post Office.

F. D. BELL.

No. 18.

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

SIR,—

General Post Office, Wellington, 17th January, 1888.

I have the honour to acknowledge the receipt of your letter of the 19th October last, covering copy of correspondence between yourself and the Imperial Post Office on the subject of a continuance of the existing arrangements for carrying the New Zealand mails *via* San Francisco.

I note that the Imperial authorities have decided not to continue the present arrangements for an indefinite time after the lapse of the present colonial contract, on the 21st November proximo.

I have read, with interest, your remarks on the Canadian Pacific service, and the extracts from the London *Times*; and thank you for supplying them.

I have, &c.,

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

H. A. ATKINSON,

Agent-General for New Zealand, London.

Postmaster-General.

No. 19.

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

SIR,—

7, Westminster Chambers, London, S.W., 9th December, 1887.

I beg to enclose copies of a further correspondence with the Colonial Office and General Post Office, relating to the apportionment of postage on New Zealand correspondence by San Francisco.

When I was writing to you on the 19th October, the Imperial Treasury had not consented to any continuance of the present apportionment beyond the expiry of the Peninsular and Oriental contract in January, 1888; but it is now to be continued, at any rate, until the San Francisco contract expires, in November following. I telegraphed this to you on the 3rd instant. The larger question of what shall be done afterwards is still reserved.

We were helped by the change that has taken place in the attitude of her Majesty's Government with respect to the Vancouver route owing to the constant pressure brought upon them by the Dominion. The Imperial authorities were reluctant to disoblige Canada. In order not to disoblige Canada the Vancouver question had to be kept open. It would be closed if a refusal to continue the present apportionment after January prevented New Zealand from renewing the San Francisco contract; but it might be kept open for a time by continuing the apportionment, at any rate, till November.

* * * * *

You will understand that on this side the question is not one for which the Treasury and Post Office, as departments, really care. They have settled their differences with the Australian Governments about the apportionment of postage *via* Suez, so that there is a good service now for Australia, and it would suit the Post Office very well for all the New Zealand correspondence to go by direct steamer. It is a political question, always pushed on by Canada, that tends to keep the Vancouver service open; and as this has gained the first step reported in the accompanying correspondence, so it will govern any further arrangement here. The essential point just now is to know what New Zealand means to do about renewing the San Francisco contract, and you will see how great a help it would be to me to know this by cable as soon as possible.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

Enclosure 1 in No. 19.

The SECRETARY, General Post Office, to the AGENT-GENERAL for NEW ZEALAND.

SIR,—

General Post Office, London, 2nd December, 1887.

With reference to your letter of the 18th October last and previous correspondence, I am directed by the Postmaster-General to inform you that he has received the authority of the Lords Commissioners of the Treasury to continue the present arrangements for apportioning the postage on correspondence exchanged between this country and New Zealand *via* San Francisco, and the cost of the service, until the current colonial contract for the Pacific section of the service expires, in November, 1888. The larger question, as to the arrangements which after that date are to take the place of those now in force, is still under the consideration of their Lordships.

I have, &c.,

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

S. A. BLACKWOOD.

Enclosure 2 in No. 19.

The COLONIAL OFFICE to the AGENT-GENERAL for NEW ZEALAND.

SIR,—

Downing Street, London, 3rd December, 1887.

I am directed by Secretary, Sir Henry Holland, to transmit to you, for your information, a copy of a letter from the Treasury respecting the continuance, after the 31st January, 1888, until the following November, of the existing arrangements for the mail-service *via* San Francisco.

I have, &c.,

The Agent-General for New Zealand.

JOHN BRAMSTON.

Sub-enclosure in Enclosure 2 in No. 19.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 26th November, 1887.

I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you, for the information of Secretary, Sir Henry Holland, that my Lords have been in correspondence with the Post Office upon the question whether the existing arrangements for the New Zealand mail-service should be continued after the 31st of January, 1888, the date when the contracts for the conveyance of the Indian and Australian mails expire; and that their Lordships have been pleased to authorise the prolongation of the present arrangements for this service, *via* the San Francisco route, until the termination of the existing colonial contract for the conveyance of the mails, in November, 1888.

I have, &c.,

Sir R. Herbert, K.C.B., Colonial Office.

R. E. WELBY.

Enclosure 3 in No. 19.

The AGENT-GENERAL to the SECRETARY, General Post Office, London.

SIR,— 7, Westminster Chambers, London, S.W., 6th December, 1887.

I have to acknowledge the receipt of your letter of 2nd instant, stating that the Lords Commissioners of the Treasury have authorised a continuance of the present apportionment of postages on New Zealand correspondence *via* San Francisco till the expiration of the colonial contract for that service, in November, 1888; but that the larger question of what should be done afterwards is still under their Lordships consideration.

I desire to return the thanks of my Government for the extension of the present arrangements till next November; but I hope I shall not appear to be importunate if I once more represent the urgency of a settlement of the point that is still left open. The same question of how to apportion postages must govern not merely any renewal of the San Francisco service but any substitution for it of a service by Vancouver. Now, a Vancouver service will hardly be established without New Zealand, and delay in settling the future appointment of postage will very likely end in there being no postal service either way.

I beg leave to call attention to the following particulars relating to the New Zealand correspondence in 1886:—

Route.	From London.			From New Zealand.			Both Ways.		
	Letters.	Books.	Newspapers	Letters.	Books.	Newspapers	Letters.	Books.	Newspapers
San Francisco ..	326,909	140,406	729,627	385,808	43,285	547,609	712,717	183,691	1,277,236
Direct steamers ..	290,383	327,382	804,446	154,860	18,806	143,401	445,243	346,188	947,847
Suez, P. and O. ..	21,260	7,287	35,944	1,111	48	94	22,371	7,335	36,038
" Orient ..	13,685	3,878	22,157	2,393	67	395	16,078	3,945	22,552
Total ..	652,237	478,953	1,592,174	544,172	62,206	691,499	1,196,409	541,159	2,283,673

Now, as the great bulk of the correspondence between this country and New Zealand goes by San Francisco and the direct steamers, it is obvious that if a renewal of the San Francisco service is prevented by delay in settling the question of apportionment, practically, all the correspondence will have to go by the direct steamers. This would necessitate a postal contract with the Shaw-Savill line, to alternate with the shipping companies, and if such a contract were once made a return (by New Zealand) to a service *via* America, whether by San Francisco or Vancouver, would be very unlikely.

The position then appears to be this: The Treasury want to know, before settling the future apportionment of postage with New Zealand, whether the colony means to keep on a service either by San Francisco or Vancouver, while the colony cannot decide whether to keep up the service till it knows what that apportionment is to be. If things remain much longer in this position the question will settle itself by there being no service *via* America at all.

I venture, therefore, to urge the reasonableness of my request of the 18th October, that if the Treasury will not continue the present apportionment after November, 1888, I should know what other apportionment would be accepted, so that I may telegraph to my Government. The matter is really very pressing, as the session of the New Zealand Parliament will soon terminate.

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

I have, &c.,

F. D. BELL.

Enclosure 4 in No. 19.

The AGENT-GENERAL to the COLONIAL OFFICE.

SIR,— 7, Westminster Chambers, London, S.W., 6th December, 1887.

I have to acknowledge receipt of your letter of the 3rd instant, covering copy of a letter from the Treasury respecting the arrangements for the mail-service *via* San Francisco. I had already received from the Post Office the intimation contained in the Treasury letter; but I have remonstrated against the further delay in settling the future apportionment of postage, and beg leave to enclose copy of the letter I have addressed to the Postmaster-General on the subject.

I have, &c.,

The Under-Secretary of State for the Colonies, Downing Street.

F. D. BELL.

No. 20.

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

SIR,— General Post Office, Wellington, 3rd February, 1888.

I have the honour to acknowledge the receipt of your letter of 9th December last, enclosing copies of a further correspondence with the Colonial Office and the Imperial Post Office, relating to the apportionment of postage on New Zealand correspondence *via* San Francisco.

I have, &c.,

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

H. A. ATKINSON,
Postmaster-General.

No. 21.

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

SIR,—

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

I have the honour to enclose you copy of a resolution, passed by the House of Representatives, authorising the Government to arrange with the present contractors for an extension of the San Francisco mail-service contract for twelve months.

The Government fully intended asking for authority to negotiate for a renewal of the service for a term of years, but the very large amount of other important Parliamentary business, which had been delayed from one cause or another until within a day or two of the prorogation, prevented this being done.

The contractors, I have reason to believe, will agree to continue the service until November, 1889, and the New South Wales Government will, no doubt, fall in with the proposal. They have already expressed their willingness for a renewal of the present service. In the meantime inquiries will be prosecuted as to the possibilities of the Canadian route. A promise has been made to Parliament to give full consideration to both routes, and to recommend that which would be likely to prove most advantageous to the colony.

It will now be necessary that you should again appeal to the Colonial Office for a further extension, up to November, 1889, of the existing agreement for the free carriage of the mails between London and San Francisco, and a continuance of the postage payments. Your cablegram of the 3rd instant* advised that the agreement had been extended to the date of the termination of the contract, and I trust the Imperial Government will not object to a further extension.

I have been urged to change the London day of despatch for the San Francisco mails from Wednesday to Saturday, so as to secure the services of the "Etruria" and "Umbria." Within the past month fast mail trains have been put on, timed to run through between New York and San Francisco in five days two hours, which will admit of the steamers leaving San Francisco on Wednesday night or Thursday morning in place of Friday or Saturday. This means a saving of about two days, and it is alleged that a further saving of about three days would be secured by despatching the mails from London on the Saturday. I am aware that this is not regarded as a convenient mail day; but, seeing that so much is now likely to be gained by a Saturday despatch, I am disposed to make the change, provided the mails can be forwarded regularly by such steamers as the "Etruria" and "Umbria." Will you, therefore, be so good as to give the question early consideration, and confer with the London Post Office. If you are satisfied that by changing the despatch to Saturday the mails would invariably be forwarded by the swiftest vessels please cable, and indicate what Saturday would need to be fixed, and the earliest date on which the change could conveniently be made.

I have, &c.,

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

H. A. ATKINSON,

Agent-General for New Zealand, London.

Postmaster-General.

Enclosure in No. 21.

EXTRACT from the JOURNALS of the HOUSE of REPRESENTATIVES, Thursday, the 22nd day of December, 1887.

ON the motion of the Hon. Major Atkinson, *Resolved*, That, in view of the contract for the San Francisco mail-service terminating in November next year, and of the impossibility to give the question of renewal full consideration this session, the Government be authorised to arrange with the present contractors for an extension of contract for twelve months, and to submit to the House next session definite proposals for the continuance of the service.

No. 22.

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

SIR,—

7, Westminster Chambers, London, S.W., 10th February, 1888.

I have to acknowledge the receipt of your two letters of the 30th December relating to the San Francisco service.

The House of Representatives having authorised a renewal of the existing contract for a further period of twelve months, and this having been practically arranged, I shall do what I can, as you desire, to induce the Imperial Government to continue the present arrangement respecting postage; but I have already ascertained privately that there will be a good deal of difficulty in doing so even for another year, and I am sure there is not the least chance of the arrangement being prolonged beyond that.

With regard to the change of day from Wednesday to Saturday, there are many practical difficulties, but I will see what can be done.

I have, &c.

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

No. 23.

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

(Telegram.)

London, 5th March, 1888.

FRISCO. Saturdays settled, beginning next despatch March twenty-four.

To the Premier, New Zealand.

* Vide No. 16.

No. 24.

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

(Telegram.)

London, 10th March, 1888.

FRISCO.—English Government will carry mails for us as at present until November, 1889.
To the Premier, New Zealand.

No. 25.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 19th March, 1888.

I have the honour to enclose herewith a copy of my cablegram to you of the 13th instant, conveying the information that the Imperial Post Office had consented to continue the existing arrangements for the carriage of the colonial mails between London and San Francisco and for the division of postage until November, 1889. May I again remind you that the Postmaster-General is exceedingly anxious to obtain the approval of your Government to the proposed twelve months' extension of the San Francisco mail-service contract. I have, &c.,

The Secretary, General Post Office, Sydney.

W. GRAY, Secretary.

Enclosure in No. 25.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 13th March, 1888.

FRISCO Service.—Agent-General cables that Imperial Post Office agrees continue existing postal arrangements until November, 1889. This covers the proposed twelve months' renewal of contract. Postmaster-General anxious obtain approval your Government to renewal.

Secretary, Post Office, Sydney.

W. GRAY.

No. 26.

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

SIR,—

7, Westminster Chambers, London, S.W., 18th February, 1888.

I took the opportunity of having a long conference privately with Sir Arthur Blackwood on the questions of continuing a Pacific mail-service and the apportionment of postage before addressing the Imperial Post Office officially. I now beg to enclose copies of the letters I have sent in since.

In your letter of the 30th December* you desire me to appeal to the Colonial Office; but I have thought best for the present to confine my representations to the Post Office, because it is the Imperial Treasury that will really decide the particular question we want to get settled, and it would not expedite the matter by appearing to appeal from one department to another, especially as whatever difficulty there is does not proceed from the Post Office. * * *

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

Enclosure 1 in No. 26.

The AGENT-GENERAL to the SECRETARY, GENERAL POST OFFICE, London.

SIR,—

7, Westminster Chambers, London, S.W., 16th February, 1888.

I have received a despatch from the Postmaster-General of New Zealand, informing me of his wish to change the London day of despatching the mails *via* San Francisco from Wednesdays to Saturdays, so as to secure that those mails should cross the Atlantic in the "Etruria" or "Umbria," or other equally fast steamships. Faster mail trains have recently been put on in the United States, timed to run through between New York and San Francisco in five days two hours, which admits of the Pacific Ocean steamers leaving San Francisco on Wednesday night or early Thursday morning in place of Friday or Saturday. This means a saving of about two days there, and the New Zealand Post Office is informed that a further saving of perhaps as much as three days could be made by changing the London mail day from Wednesday to Saturday.

The New Zealand Office is aware that Saturday is not regarded as a convenient day for closing the mails in London; but seeing that so much would be gained by a Saturday despatch, my Government would be disposed to make the change, provided it were certain that the mails would be forwarded regularly by such steamers as the "Etruria" and "Umbria." May I, therefore, ask whether there would be any insuperable objection to the proposed change, and whether (supposing the change to be made) the mails would be sure to go by such ships as I have mentioned. In that case, I should wish to cable to my Government specifying the earliest date on which the change could conveniently be made by the Imperial Post Office. I have, &c.,

The Secretary, General Post Office, London.

F. D. BELL.

Enclosure 2 in No. 26.

The AGENT-GENERAL to the SECRETARY, General Post Office, London.

SIR,—

7, Westminster Chambers, London, S.W., 17th February, 1888.

Since writing to you on the 6th and 14th December, I have received a despatch from the New Zealand Government, stating that arrangements have been made for continuing the service *via* San Francisco for one year after the expiration of the existing contract, namely, till November, 1889. I enclose copy of the resolution passed in the House of Representatives on the 22nd December, authorising the extension of the contract for that period, and expressing the desire of the House that definite proposals for the continuance of the Pacific service should be laid before them at the opening of the next session in April. My Government have no doubt of the New South Wales Government concurring in the extension of the contract, as they had formally expressed their wish for a continuance of the service.

I have already informed you of the communications between New Zealand and Canada respecting a service *via* Vancouver, and inquiries are still going on as to the possibilities of the Canadian route. A promise was made to the New Zealand Parliament that full consideration should be given to both routes, and my Government will, next session, recommend the route which is likely to be most advantageous.

Under these circumstances the duty devolves upon me of renewing the appeal I have made to the Imperial Post Office on the subject of the apportionment of postage. Although a final decision on the question of a Pacific service is reserved for next session of the New Zealand Parliament, what took place during last session indicates clearly that there is no intention of giving up the service; so that, practically, it may be said that a service will be maintained, whether by San Francisco or by Vancouver, provided a satisfactory arrangement can be made with the Imperial Post Office as to postage. I beg, therefore, to express the earnest hope that the Postmaster-General will be pleased to recommend the Treasury to continue the existing arrangement for another year, to November, 1889; and with regard to future apportionment in a more permanent service, I venture to urge once more the reasonableness of my request, that if the Treasury has finally decided not to continue the present apportionment permanently I may at least be informed of what would be considered right instead.

I have, &c.,

The Secretary, General Post Office, London.

F. D. BELL.

No. 27.

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

SIR,—

7, Westminster Chambers, London, S.W., 7th March, 1888.

In continuation of my letter of the 18th February, I beg to enclose copy of correspondence with the Imperial Post Office, relative to substituting Saturdays for Wednesdays as the despatch day of the London mails to New Zealand *via* San Francisco.

With regard to the steamers to be employed for that purpose, you will see from the table of days and hours of arrival at New York of the Queenstown mail packets during the last six months, that there is no reason to suppose the service will be less efficiently performed in future. Under these circumstances the Post Office has agreed to change the London despatch from Wednesday to Saturday, beginning with the next mail, which will accordingly leave on Saturday, the 24th March, instead of the 21st. I telegraphed this to you on the 5th instant.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

Enclosure 1 in No. 27.

The IMPERIAL POST OFFICE to the AGENT-GENERAL.

SIR,—

General Post Office, London, 2nd March, 1888.

In reply to your letter of the 16th of last month, I beg leave to acquaint you that to change from Wednesday to Saturday the day of despatch for the mails sent hence to New Zealand *via* San Francisco would not present any insuperable difficulties to this department, although some trouble would be caused by derangement of duties. To the public in this country Saturday would be in some respects an advantageous day of despatch, more particularly in respect of the weekly newspapers, of which so many are published on Saturday.

In answer to your inquiry whether, in the event of a Saturday despatch from London, the mails would always have the advantage of being carried by such steamers as the "Etruria" and "Umbria," I am bound to inform you that there are no other mail steamers of equal speed, although the whole of the vessels habitually used by the Cunard Company for the mail service are of high speed. In the six months ended the 31st of January, 1888, two of the Cunard Company's contract voyages have been performed by the "Gallia," and one by the "Bothnia," while the rest have been performed by the "Etruria," "Umbria," "Aurania," and "Servia." The "Bothnia," a comparatively slow ship, was only employed on this occasion under exceptional circumstances, and is not usually employed in the mail service.

To enable you to judge of the advantages offered to the New Zealand mails by the Cunard steamers, I send you herewith a statement showing the days and hours of arrival at New York of the packets despatched from Queenstown every Sunday during the last six months. I have no reason to suppose that the service of this company will be less efficiently performed in the future than in the past.

I have, &c.,

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

E. H. REA.

Sub-enclosure in Enclosure 1 in No. 27.

TABLE showing the date and hour of arrival at New York of the Cunard Packets, despatched from Queenstown every Sunday, during the six months from the 1st August, 1887, to the 31st January, 1888, together with length of each voyage :—

Name of Packet.	Left Queenstown, Sunday,	Reached New York.	Length of Voyage.		
			D.	H.	M.
"Etruria"	7th August	Saturday, 13th August, 3.5 p.m. ...	6	1	30
"Aurania"	14th August	Sunday, 21st August, 5.47 p.m. ...	7	4	42
"Umbria"	21st August	Sunday, 28th August, 4.7 a.m. ...	6	15	16
"Servia"	28th August	Monday, 5th September, 11.20 a.m. ...	7	22	18
"Etruria"	4th September	Sunday, 11th September, 2.30 p.m. ...	7	1	25
"Aurania"	11th September	Sunday, 18th September, 6.6 p.m. ...	7	4	54
"Umbria"	18th September	Saturday, 24th September, 3.24 p.m. ...	6	2	18
"Servia"	25th September	Monday, 3rd October, 6.52 a.m. ...	7	17	37
"Etruria"	2nd October	Sunday, 9th October, 0.5 a.m. ...	6	10	35
"Aurania"	9th October	Sunday, 16th October, 6.0 p.m. ...	7	5	4
"Umbria"	16th October	Sunday, 23rd October, 0.40 a.m. ...	6	11	44
"Servia"	23rd October	Monday, 31st October, 7.36 a.m. ...	7	18	16
"Etruria"	30th October	Monday, 7th October, 11.15 a.m. ...	7	22	0
"Aurania"	6th November	Sunday, 13th November, 7.55 p.m. ...	7	6	55
"Umbria"	13th November	Sunday, 20th November, 0.40 a.m. ...	6	11	33
"Servia"	20th November	Monday, 28th November, 6.50 a.m. ...	7	17	38
"Etruria"	27th November	Sunday, 4th December, 9.20 a.m. ...	6	19	35
"Aurania"	4th December	Monday, 12th December, 6.57 a.m. ...	7	16	47
"Umbria"	11th December	Monday, 19th December, 4.18 a.m. ...	7	14	25
"Gallia"	18th December	Tuesday, 27th December, 9.5 a.m. ...	8	18	19
1888.					
"Etruria"	25th December	Sunday, 1st January, 8.55 p.m. ...	6	18	15
1888.					
"Bothnia"	1st January	Thursday, 12th January, 5.25 a.m. ...	10	16	1
"Umbria"	8th January	Monday, 16th January, 9.13 p.m. ...	7	19	9
"Servia"	15th January	Tuesday, 24th January, 1.37 a.m. ...	8	12	31
"Gallia"	22nd January	Tuesday, 31st January, 2.40 p.m. ...	9	1	27
"Aurania"	29th January	Monday, 6th February, 2.47 a.m. ...	7	13	35

Enclosure 2 in No. 27.

The AGENT-GENERAL to the SECRETARY, General Post Office, London.

SIR,— 7, Westminster Chambers, S.W., 5th March, 1888.

I have to acknowledge with thanks Mr. Rea's letter of the 2nd instant, intimating the assent of the Post Office to the proposal of my Government for changing the day of London despatch of the New Zealand mails *via* San Francisco from Wednesdays to Saturdays. With reference to the last paragraph of my letter of the 16th February, I should be glad if you would fix Saturday, 24th March, as the first day for the commencement of the new day of despatch.

I have, &c.,

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

F. D. BELL.

Enclosure 3 in No. 27.

The AGENT-GENERAL to Mr. REA, General Post Office.

(Telegram.)

5th March, 1888.

THANKS for official letter. You do not say when it would suit you for Saturdays to begin. Can you wire me this?

DILLON BELL.

The GENERAL POST OFFICE to Sir FRANCIS BELL.

(Telegram.)

5th March, 1888.

WE commence Saturday, 24th March, if you like. Propose in your official reply.

REA.

The AGENT-GENERAL to Mr. REA, General Post Office.

(Telegram.)

5th March, 1888.

THANKS. Am proposing March 24th accordingly.

BELL.

No. 28.

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

SIR,— 7, Westminster Chambers, London, S.W., 24th March, 1888.

In my letter of the 18th February I enclosed copy of one I had addressed to the Imperial Post Office on the preceding day, asking that the existing arrangements as to division of postage in connection with the San Francisco service should be continued until November, 1889. You will be

glad to learn from the letter, copy of which I now enclose, that the Lords Commissioners of the Treasury have acceded to this request. I telegraphed their decision to you on the 10th instant. The Treasury hope soon to be in a position to decide as to arrangements after November, 1889.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. D. BELL.

Enclosure in No. 28.

The SECRETARY, General Post Office, London, to the AGENT-GENERAL for New Zealand.

SIR,—

General Post Office, London, 9th March, 1888.

I duly received your letter of the 17th of last month in which you were so good as to inform this department that the Government of New Zealand has prolonged the contract for a packet-service between the colony and San Francisco till November, 1889. In view of this prolongation the Postmaster-General has now obtained the consent of the Lords Commissioners of Her Majesty's Treasury to extend, for a further period of twelve months, from November, 1888, the existing arrangements as to the division of postage and cost of the New Zealand mail-service *via* San Francisco. Their lordships hope soon to be in a position to decide as to the arrangements for the service after November, 1889.

I have, &c.,

Sir Francis Dillon Bell, K.C.M.G., C.B.

S. A. BLACKWOOD.

No. 29.

The Hon. Major ATKINSON to the PREMIER, Canada.

SIR,—

Premier's Office, Wellington, 5th November, 1887.

The current contract for the conveyance of mails between New South Wales, New Zealand, and London *via* San Francisco expires in November next year; and the Government of New Zealand, before taking into consideration the question of renewing this contract, is anxious to obtain information as to the practicability of establishing a fast and reliable service for the conveyance of these mails by the Canadian Pacific route. I shall therefore be much obliged if you will favour me with such information as will enable this Government to judge of the advantages of the Canadian route. You would, perhaps, at the same time, be so good as to give me an indication of the views of your Government on the question of such a mail-service as is now suggested.

Information is specially desired on the following points: (1.) The maximum time within which mails could be delivered between London and New Zealand by the Canadian Pacific route. Under the present San Francisco contract the contract-time is thirty-five days to, and thirty-six days from, London, but mails have been delivered in London from Auckland by this route in thirty-three days. No new service providing for longer transit would be acceptable; indeed, it is expected that the time could be reduced. (2.) The support which would be given by your Government to a Canadian Pacific service, embracing New Zealand and some port in Australia, say Sydney. (3.) The probability, so far as your Government is aware, of the Imperial Post Office directly contributing to or subsidising such a service, or affording assistance in any other way. In the case of the San Francisco service, the Imperial Government defrays the cost of the overland transit of the colonial mails between San Francisco and New York, and also provides for their conveyance between New York and the United Kingdom. (4.) The facilities which would be given by the Canadian Pacific Railway authorities to such a service. Would the colonial mails be conveyed over their railway-lines free of charge to the colonies? (5.) The ports on the Atlantic at which the mails would be landed and shipped. Would Quebec be the selected port, or would it be necessary to adopt Halifax during the winter months? (6.) The probable mail-time between Liverpool, or Queenstown, and Quebec, or Halifax, as the case may be, and the frequency with which steamers run each way. (7.) The transit-time by railway for mails between either Halifax or Quebec and Port Moody, and the probability of the service being interrupted or delayed during the winter season.

I should also be glad to be informed if any steps have been taken by the Canadian Pacific Railway Company towards establishing a mail-service to Australasia. If so, what are the size and speed of the vessels proposed to be employed, and what would be the mail-time between Port Moody and New Zealand and Australia, and the through-time between London and the Australian Colonies?

The present Pacific service *via* San Francisco is maintained jointly by New South Wales and New Zealand. These colonies would act in consort in negotiating for a new contract either by San Francisco or by the Canadian route.

It is hoped that your Government would be willing to afford encouragement to such a service *via* Canada by admission into the Dominion on favourable terms of Australasian produce, more especially classed wools. Without this, a Canadian service would have little, if any, commercial advantage to the Australian Colonies over the existing service *via* San Francisco. As the time within which arrangements for a new service must be completed is very limited, I should feel obliged if you could favour me with an answer to this letter at your earliest convenience.

I have, &c.,

The Right Hon. Sir John A. Macdonald, P.C., G.C.B.,
Premier, Ottawa, Canada.

H. A. ATKINSON, Premier.

No. 30.

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

SIR,—

General Post Office, Wellington, 5th November, 1887.

I have the honour to forward you copy of a letter addressed, by to-day's mail, to the Premier of Canada, in respect of the possibilities of a Canadian Pacific mail-service.

From your letter of the 7th September last you indicate that there is little hope of the Imperial Government entertaining the question of the service; and that until the colonies move in the matter the London Post Office will not take any action at all. There is not likely, I think, to be any expression of opinion from the colonies in the meantime. The Government of New South Wales, however, is desirous of continuing the Pacific service, and is willing to entertain the Canadian route if a service can be secured on favourable terms, and provided the through time between London and Sydney is no longer than by the San Francisco line. Failing to obtain this, Sir Henry Parkes will then agree to negotiate for renewal of the existing service.

I should be very much obliged if you will also make inquiries as to the prospects of a Canadian service, and the support or aid the colonies may reasonably expect in the event of their deciding in favour of the Canadian route. The question of renewing the San Francisco service will not be dealt with in the meantime; but it is probable that the House may be asked to authorise the Government to negotiate during the recess.

You will no doubt have ascertained the views of the Imperial Government on the matter of continuing the existing agreement for the conveyance of the colonial mails between San Francisco and the United Kingdom and the division of postages, in connection with the possible renewal of the San Francisco service. In any case you will, I apprehend, have obtained an extension of the agreement until the date of the termination of the existing San Francisco service.

I have, &c.,

H. A. ATKINSON,

Postmaster-General.

The Agent-General for New Zealand, London.

No. 31.

The Hon. the POSTMASTER-GENERAL, Canada, to the Hon. the PREMIER, New Zealand.

SIR,—

Post Office Department, Canada, Ottawa, 29th December, 1887.

I have the honour to inform you that the Right Hon. Sir John Macdonald has placed in my hands a copy of your letter to him, dated the 5th ultimo, in which you ask for certain information respecting the facilities existing for the establishment of a mail-service between New Zealand and England *via* Canada, and has requested me to reply to it in so far as the information at present in possession of the Canadian Government renders it possible to do so.

Your first question is as to the maximum time within which mails could be conveyed between London and New Zealand by the Canadian Pacific route. The time at present occupied *via* San Francisco being (under contract) a maximum of thirty-five days from Auckland to London, and thirty-six days from London to Auckland, while mails have, on certain occasions, as you state, been delivered in London in thirty-three days from Auckland. Upon this point I beg to say that, in the event of a suitable line of steamers being placed on the route to which you refer, the New Zealand mails might, if forwarded thereby, be delivered in London, with certainty, in thirty days, and might sometimes be delivered in twenty-nine days. The estimate for the several sections of the route is as follows: On the Pacific, seventeen days; across the Continent by the Canadian Pacific Railway, six days; across the Atlantic by fast steamers, six days; adding a day for possible delays at ports of call we have a total of thirty days. I should here explain that the service, the establishment of which has been suggested by the Canadian Pacific Railway Company, is one from Vancouver to Sydney, New South Wales, touching at Honolulu, Fiji, and Brisbane, with a branch service between Fiji and Auckland. To make Auckland a port of call on the way to Sydney would, the company considers, unduly prolong the voyage to the terminal point. As appears, however, from the above estimate of time, the mail-service from New Zealand would not in any way suffer under this arrangement.

You ask (questions 2 and 3) what support would be given by this Government to a Canadian Pacific service embracing New Zealand and some port in Australia, say, Sydney; and what probability there is, so far as this Government is aware, of the Imperial Government contributing to or subsidising such a service. In reply I would say that this Government is not in a position to speak as to the intentions of the Imperial Government in the matter to which you refer, but that the Canadian Government would be disposed to give substantial assistance towards the maintenance of such a service as has been described, and to consult with the Governments of the other countries interested as to the amount of subsidy necessary to procure an efficient service, and the proportion which each country should contribute. It may be well to state that the Canadian Pacific Railway Company is now maintaining a steamship service between Vancouver, Yokohama, and Hongkong, and will shortly place it on a better footing by the employment of a very superior class of steamers, and that the service will be subsidised by the Imperial Government to the extent of £45,000 a year, and by this Government to the amount, probably, of £15,000.

With regard to the facilities (question 4) which would be given by the Canadian Pacific Railway authorities for the conveyance of the New Zealand mails, I beg to say that the mails from New Zealand would be treated in all respects as Canadian mails during their passage through Canadian territory, and that this Government would make its own arrangements with the railway so far as the question of compensation to the latter might be concerned. The New Zealand mails sent *via* Canada would, in the absence of any reason to the contrary, be subject to the ordinary territorial transit charges levied upon other mails passing through this country.

The ports (question 5) on the Atlantic at which the mails would be landed and shipped would be Quebec in summer and Halifax in winter. The voyage to and from Quebec takes a little more time than that to and from Halifax, but, in the case of mails landed or shipped at Quebec, there is a saving of railway travel which compensates for the extra distance by water. It should perhaps be explained, however, that while Quebec is spoken of as the landing- and shipping-port in summer, and while the contracts heretofore made have provided for the landing and embarking of mails there, it has been found advantageous, in point of fact, to land and ship mails from and for the Canadian packets at Rimouski, a small port on the St. Lawrence, 182 miles below Quebec, on the line of the intercolonial railway.

In reply to question 6, I may say that the estimate above given of six days for the Atlantic service, whether from Quebec, Rimouski, or Halifax, is based upon the average speed of the vessels offered for the service in question, in tenders which are now under the consideration of this Government.

Your seventh question, as to the transit time by railway for mails between the Atlantic and Pacific termini of the Canadian Pacific Railway, and the probability of the service being interrupted or delayed during the winter season, is also in part answered above. Six days may be assumed as the time in which the journey across the Continent would be made, and I am informed by the Canadian Pacific Railway Company that it is now completing its works for the protection of the line in winter, so that there need be no fear of interruption of the service or delay to mails during that season.

You ask, finally, whether any steps have been taken by the Canadian Pacific Railway Company towards establishing a mail-service to Australasia. Such a service, as above stated, is in contemplation, though precisely how far the company have advanced in their arrangements I am not in a position to state. You can, however, judge to some extent of the character of the steamers which it is proposed to employ by the time in which the company expects to be able to perform the service. The time to Brisbane from London would be about the same as the time to Auckland, the distance from Fiji to either port being approximately the same.

The question at which you glance in closing, namely, the admission into Canada on favourable terms of Australasian produce, more especially classed wools, is one for the Canadian Parliament, and I cannot at this moment say more than that this Government would be happy to promote, by any means in its power, consistent with the general fiscal arrangements which may commend themselves to the approval of Parliament, a closer commercial intercourse between the Australasian Colonies and Canada.

I have, &c.,

A. W. McLELAN,
Postmaster-General.

The Hon. H. A. Atkinson, Premier of New Zealand, Wellington.

No. 32.

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

SIR,—

7, Westminster Chambers, London, S.W., 16th December, 1887.

Since writing to you on the 9th instant, I have received your letter of the 5th November, covering copy of a despatch addressed to the Premier of Canada respecting a postal service by Vancouver, and informing me that for the present nothing final would be done about renewing the San Francisco contract, though power would probably be taken to negotiate during the recess.

The further letters you will have received from me have kept you informed of what has happened on this side in connection with the Vancouver project. * * * *

I enclose copy of a further letter I sent in to the Post Office on receiving yours. In the meanwhile I beg you to consider how far it would be possible to give me any discretion in negotiating. Sir Saul Samuel leaves England immediately, on leave, to visit New South Wales, and Sir Daniel Cooper will act for him. It would greatly facilitate the work on this side if you and the Premier of New South Wales could enable Sir Charles Tupper, Sir Daniel Cooper, and myself to come to a provisional agreement with the Imperial Treasury and Post Office, subject to the ratification of our respective Governments. The chief difficulty has always been the one I mentioned to the Post Office in the letter I sent you the other day. The Treasury and Post Office do not want to decide about sharing the cost until they know whether a Pacific service is to be continued, while the Governments do not want to decide about continuing the service till they know how the cost is to be shared. All the trouble there was over the apportionment of the Imperial share in the Suez contracts took place because the Agents-General for the three colonies had no real power to settle anything; and the only way to prevent a similar trouble in the case of either San Francisco or Vancouver is for the Governments of New South Wales, New Zealand, and Canada to settle the points on which they will insist, and then enable the High Commissioner and Agents-General to make, within those limits, a practical arrangement, subject to ratification.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

Enclosure in No. 32.

The AGENT-GENERAL to the SECRETARY, General Post Office, London.

SIR,—

7, Westminster Chambers, London, S.W., 14th December, 1887.

With reference to my letter of the 6th instant, on the subject of the San Francisco service and apportionment of postage, I beg to acquaint you that I received yesterday a despatch informing me that the Governments of New Zealand and New South Wales were still desirous of

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

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

Pacific Railway Company, it would require a great change in the opinions which have constantly prevailed there for any scheme of a Pacific mail-service to be adopted in which New Zealand does not bear a principal share of the subsidy; so that you are pretty sure, in the long run, to get your way in steadily refusing to listen to a branch line.

I understand that Sir Charles Tupper will be over here from Canada early in June, when I shall take the opportunity of conferring with him, and let you know the result.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. D. BELL.

No. 38.

Mr. BUCKLAND to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

San Francisco, 9th November, 1887.

MAILS for New York leave here seven o'clock Sunday morning, arriving there Friday evening. Mails arrive here seven o'clock in evening. Five days from New York. Begin Sunday. What changes shall I make?

The Postmaster-General, New Zealand.

BUCKLAND.

No. 39.

The Hon. Sir H. A. ATKINSON to the ACTING RESIDENT AGENT, San Francisco.

(Telegram.)

Wellington, 17th November, 1887.

DESPATCH steamer early Thursday, commencing December.

C. R. Buckland, Esq., San Francisco.

No. 40.

Mr. BUCKLAND to the SECRETARY, General Post Office, Wellington.

SIR,—

San Francisco, 14th November, 1887.

I have the honour to enclose copy of a cable-message that I sent you on the 9th instant, relative to the shortening of the overland trains, and to which I am now awaiting your reply, so as to make arrangements for the departures of the steamers from here in future.

As my cable-message stated, the mails will now be able to leave San Francisco at 7.30 a.m. on Sundays, arriving in New York at 9.35 p.m. on the following Friday, in plenty of time to catch the fast steamers leaving New York on the next (Saturday) morning. This will enable you to change the date of sailing from Auckland to 8 a.m. or 10 a.m. on every fourth Tuesday, instead of on the Monday afternoon, as at present. The steamers will then arrive here during Saturday evening. This will give you the same connections as at present, with a saving of fourteen or sixteen hours in New Zealand, the steamers being able to leave there so much later. There is also a train leaving here at 3 p.m. daily for New York, which arrives in New York at 7 p.m. on the sixth day out, the same as at present, and is of no advantage in carrying the mails. For instance, the train that leaves here at 3 p.m. on Saturday arrives at New York at 7 p.m. on the following Friday, only two hours and thirty-five minutes before the train that leaves here on the next (Sunday) morning at 7.30 a.m.

Coming from New York to San Francisco the overland trains occupy five days one hour and ten minutes. The mails leaving New York in future at 6 p.m. on Friday will arrive in San Francisco at 7 p.m. on the following Wednesday, so that the steamer will always be able to leave here during the summer months some time on the Wednesday night. If they fail to arrive at that time they will reach San Francisco by 6.40 a.m. on the following (Thursday) morning. There are two trains arriving here daily, the one at 6.40 a.m., and the other at 7.10 p.m. The mails will generally arrive by the latter, but should they miss this then they will be here at 6.40 on the next morning. The advantage of this change may be seen this month, when the mails did not leave New York till Sunday evening, 13th instant, two days later than usual. They are expected here at 7 p.m. on Friday, the day of sailing, and there is a chance of their arriving on Friday morning.

I think it would be advisable that the steamers should be advertised to sail from San Francisco every fourth Wednesday at 10 p.m. It is certainly a very awkward hour for departure, but that time will insure the quickest connections for at least six months in the year, and during the winter months the usual postponements will have to be made.

I have conferred with Mr. Spreckels about this change, and he, while recognising the awkwardness and difficulty attending the sailing hour proposed, is fully prepared to meet the requirements of the service, and has agreed that the steamers shall, in future, be advertised to leave here at 10 p.m. on Wednesday. I enclose a clipping from the *Examiner*, giving Mr. A. B. Spreckels's views. I also enclose copy of my cable-message, sent on the 9th instant.

The only trouble that I can see in this connection is in the refusal of the Postmaster at San Francisco to place one of his clerks at the disposal of the service during the night, unless specially paid by your department the amount of \$10 for each night that his services may be required. If the steamers leave Auckland in future on Tuesday morning they will arrive here during Saturday night. It is necessary that a Post Office official board the steamer and give a receipt to the Customhouse Department before the mails can be landed. The Collector of Customs has placed one of his men at my disposal for night service, without requiring special pay, and the only obstacle

at present is the payment required to a Post Office official. I wrote you on this subject on the 3rd May, 1887. Possibly an application to the Postmaster-General, at Washington, would result in the services of an official being given free of charge for occasional night service. It will certainly be occasionally necessary.

I have, &c.,

CHARLES R. BUCKLAND,

W. Gray, Esq., Secretary, Post and Telegraph Department,
Wellington, New Zealand.

Acting Resident Agent.

No. 41.

Mr. GRAY to Mr. BUCKLAND.

SIR,—

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

I have the honour to acknowledge the receipt of your telegram of the 9th instant, and to send you a copy thereof, together with a copy of the reply cabled you on the 17th, in connection with an acceleration in the railway mail-time between New York and San Francisco.

Your message is not quite clear as to whether the five-days' service is a continuous one, on every day in the week, or whether there are only given fixed days both from San Francisco and New York. But, so far as could be determined, it appeared that a Thursday morning despatch from San Francisco to the colonies, commencing with the December steamer, would probably meet the altered condition of affairs in the meantime. It is considered undesirable to make any change at this end, at least it has been decided to await advices by the mail. If any further alteration be determined upon a cable-message will be sent you.

The Union Steamship Company was duly informed of the changes, and the company telegraphed the Messrs. Spreckels about despatching the steamers on Thursday morning.

If you do not receive a cable-message varying what has already been decided upon you will please arrange to despatch the steamers by 10 a.m. on Thursday, supposing it is impracticable to send them away on Wednesday evening. Thursday morning was fixed on in case there might be some hitch in getting the steamers away on Wednesday; but if it be at all practicable to despatch the steamers on Wednesday night you will be good enough to see that this is carried out.

I have, &c.,

W. GRAY, Secretary.

C. R. Buckland, Esq., Acting Resident Agent for New Zealand,
San Francisco, California.

No. 42.

Mr. BUCKLAND to the SECRETARY, General Post Office, Wellington.

SIR,—

San Francisco, 16th November, 1887.

I have the honour to enclose copy of letter, dated the 26th October, 1887, received from the Hon. the Postmaster-General of the United States, in which he expresses his willingness to increase the payments made by the American Government in connection with the colonial mail-service to \$30,000 per annum. He also mentions certain conditions that he would desire to have embodied in the contract.

I have &c.,

CHARLES R. BUCKLAND,

W. Gray, Esq., Secretary, Post and Telegraph Department,
Wellington, New Zealand.

Acting Resident Agent.

Enclosure 1 in No. 42.

Mr. BUCKLAND to the HON. the POSTMASTER-GENERAL, Washington.

SIR,—

San Francisco, 26th September, 1887.

I take the liberty of addressing you on the subject of the Australian mail-service.

As you are already aware, the present service will expire in October of next year. The New Zealand Parliament, however, will meet next month, and during its session the question of the continuance of the service will be decided.

Recently a great deal of opposition has been developed in New Zealand to the maintenance of the San Francisco service, except in the northern part of the colony. It is claimed that instead of subsidising a foreign line of steamers further assistance should be given to the local steamship line, which runs direct from New Zealand to London. This feeling is especially strong in the southern part of the colony. It is also held that as the United States derives the greatest benefit from the trade established with the colony, and as the steamers employed are American-built and American-owned, the United States Government should contribute more liberally towards the San Francisco mail-service. I also learn from the San Francisco Postmaster that the bulk of the mail carried by this line is American mail-matter, in the proportion of five sacks of American mail-matter to every four sacks of British mail-matter. The United States mail-bags are also each about 5lb. heavier than the British. These two facts give a large preponderance, both in quantity and weight, in favour of the United States, as the total quantity carried by the steamers during the year is about 12,000 sacks of mails, weighing 610,000lb. The proportions, approximately, are as follows:—

	Number of Sacks.	Average Weight.	Total Weight.
British mail-matter	5,300	48½lb.	257,000lb.
United States matter	6,600	53½lb.	352,000lb.

It will thus be seen that the mail conveyed to and from the United States and the colonies is annually about 1,300 sacks, weighing 100,000lb. more than the through British mail.

As this mail-service question will be fully and thoroughly discussed during the coming session of the New Zealand Parliament, I shall feel under great obligation to you if you will kindly give me your views on the subject, that I may be enabled to forward them to the Postmaster-General of New Zealand by the next outgoing mail, on the 21st October. Would you be prepared to maintain your present subsidy to the service, or would you be prepared to increase your present payments, and, if so, to what amount? Would you be prepared to recommend Congress to grant any special subsidy for this service, and, if so, to what amount? Would any such payments be an addition to or include all present payments for the carriage of United States mails? For how many years would you be prepared to recommend the continuance of such payments as you may mention?

I may inform you that the New Zealand Government is in favour of a continuance of the San Francisco service; and it is therefore desirable that they should be in a position to know your possible future action, with a view to placing the advantages of its maintenance in the broadest possible light, in order to disarm the growing opposition, and endeavour to strengthen the present cordial relations existing between the United States and the colonies. Trusting to receive an early reply in time to forward from here on the 21st October,

I have, &c.,

CHARLES R. BUCKLAND,

Resident Agent of the New Zealand Government.

The Hon. W. F. Vilas, Postmaster-General, Washington, D.C.

Enclosure 2 in No. 42.

The Hon. the POSTMASTER-GENERAL, Washington, to Mr. BUCKLAND, San Francisco.

SIR,—

Office of the Postmaster-General, Washington, D.C., 26th October, 1887.

Replying to your communication of the 26th ultimo, acknowledgment of the receipt of which was made to you during my absence, I must first state that the limits of compensation for foreign mail-service are fixed by Congress at sea-postage, if carried on foreign vessels; but, if carried upon American vessels, the sea and inland postage together may be allowed for transportation. This is the extent of the authority of this department to make payments, or to make contracts for payments, for foreign mail transportation. Another limitation is that contracts can be made only for two years' duration. The department would not be willing to recommend to Congress the payment of any special subsidy beyond the amounts permitted to be paid by the statutes referred to. Acting within the authority of law, the department is prepared to go to the limit of it, if necessary, to encourage and assist mail transportation with the British colonies in Australia.

The present annual payment can be maintained if American companies carry the mails, and probably increased \$10,000, making \$30,000 annually. If the New Zealand Government desires to make its contract for a longer period than two years it can embrace this department within the full period of time for which the contract shall be made, subject only to the refusal of Congress to make the appropriations—a contingency so remote as to be fairly disregarded as a risk. But any such contract must provide for the United States the full extent and measure of use of the vessels employed, and give to the United States as full a right to demand the service of such vessels for the despatch of her mails as the Government of New Zealand or any of the colonies shall possess by the contract, and the same rights to impose fines or deductions for failure or refusal to comply with any duty under the contract. This should be explicitly stipulated in the contract.

This department is very sensible indeed of the advantages of direct mail communication with the Australian Colonies, whose people are assimilated to our own as the pioneers and settlers of a new country, and is desirous of contributing in every fair way its full and proper share, subject to the principles of public administration which govern it, of the cost of the maintenance of such service, and to mark to the people of the colonies its desire for intimate and cordial relations. I trust the proposed increase in annual compensation beyond the amount of the present contract, which was named by the Postmaster-General of New Zealand in the first instance and not by the United States, will be accepted as manifesting this disposition.

Very respectfully, &c.,

WM. F. VILAS,

Postmaster-General.

C. R. Buckland, Esq., San Francisco, California.

No. 43.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 14th December, 1887.

I am directed by the Postmaster-General to forward, for the information of your department, copies of correspondence: (1) Mr. Buckland's letter of the 14th November, 1887, covering copy of cable-message of the 9th idem; (2) Mr. Buckland's letter of the 26th September, 1887, to the Hon. Mr. Vilas, Postmaster-General of the United States; (3) Mr. Buckland's letter of the 16th November, 1887, covering; and (4) copy of Mr. Vilas' reply of the 26th October relating to the San Francisco mail-service. The Postmaster-General is in communication with the contractors as to the advisableness of making further changes in the time-table in the direction suggested by Mr.

Buckland, and you will be informed of the result by cable. Major Atkinson has not been able to consider the letter from the Postmaster-General of the United States, nor will he be able to do so until after the prorogation of Parliament.

The Secretary, General Post Office, Sydney.

I have, &c.,

W. GRAY, Secretary.

No. 44.

Mr. GRAY to Mr. BUCKLAND.

SIR,—

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

I have the honour to acknowledge, with thanks, your letter of the 14th ultimo, forwarding a copy of your cable-message despatched on the 9th idem, relative to shortening the time occupied in the overland journey from New York to San Francisco.

After conferring with the Union Steamship Company, it has been decided not to dispatch the steamers from Auckland on Tuesday morning, as suggested, as owing to the Manukau being a bar harbour the southern mails could not always be delivered at Auckland on Tuesday morning in time for the despatch of the mail steamer bound to San Francisco. Practically, these mails would need to be in Auckland the previous afternoon, and as an 8 a.m. departure would make the steamer due at San Francisco four hours after the fast Sunday morning train for New York had left, it has been determined not to force on the contractors any obligation to deliver the mails within contract time.

I now enclose a copy of the time-table, as officially amended, giving effect to the foregoing decision.

I have read with great interest the newspaper clipping "Fast Overland Trains." I hope that this fast railway service will really be the means of shortening the time; but as the "Mariposa" did not sail until Saturday the change has not been initiated promisingly. It may be, however, that the delay was on the Atlantic and not on the railway.

* * * * *
C. R. Buckland, Esq.,
Acting Resident Agent for New Zealand, San Francisco.

I have, &c.,
W. GRAY, Secretary.

No. 45.

The Hon. Major ATKINSON to the Hon. Sir HENRY PARKES, Sydney.

(Telegram.)

Wellington, 19th December, 1887.

Fr'sco service.—I intended asking House for authority to negotiate, in conjunction with your Government, for renewal service for a term of years, subject Parliament approval. Pressure of other business and desire to prorogue before Christmas makes this impossible. Now propose ask for power to extend existing contract for twelve months. If your Government concur shall be obliged if you will reply to-morrow, as question must be brought before House immediately.

Sir Henry Parkes, Sydney.

H. A. ATKINSON.

No. 46.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company of New Zealand (Limited), Dunedin.

(Telegram.)

Wellington, 23rd December, 1887.

HOUSE empowered Government to extend present Frisco contract for twelve months. Please say if your company willing extend contract on existing basis.

James Mills, Esq., Union Company, Dunedin.

W. GRAY.

No. 47.

The Hon. Major ATKINSON to the Hon. the PREMIER, Sydney.

(Telegram.)

Wellington, 24th December, 1887.

PARLIAMENT has authorised Government extend Frisco service for twelve months, so as to give ample time for considering question of renewal. Propose at once to communicate with contractors, and shall be glad to learn that your Government concurs in extending contract.

The Hon. the Premier, Sydney.

H. A. ATKINSON.

No. 48.

Mr. JAMES MILLS to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Dunedin, 29th December, 1887.

Re your telegram of 23rd I am in communication with Oceanic Steam Company, who are associated with us in the contract, and I have no doubt we shall be able to arrange for extension for one year as proposed.

The Secretary, General Post Office, Wellington.

JAMES MILLS.

No. 49.

Mr. JAMES MILLS to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Dunedin, 29th December, 1887.

I HAVE cabled Spreckels, and am also writing fully. I am intimating to him that we shall probably wish to replace "Mararoa." I presume your department will not offer any objection.

The Secretary, General Post Office, Wellington.

JAMES MILLS.

No. 50.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company (Limited), Dunedin.

SIR,—

General Post Office, Wellington, 29th December, 1887.

I have the honour to enclose an extract from the Journals of the House of Representatives,* giving a resolution authorising the Government to arrange with the present contractors for an extension of the San Francisco mail-contract for twelve (12) months, and to submit to the House next session definite proposals for the continuance of the service.

I have, &c.,

W. GRAY, Secretary.

The Managing Director, Union Steamship Company (Limited), Dunedin.

No. 51.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 29th December, 1887.

I have the honour to enclose an extract from the Journals of the House of Representatives, giving a resolution authorising the Government to arrange with the present contractors for an extension of the San Francisco mail contract for twelve months, and to submit to the House next session definite proposals for continuance of the service. I also enclose copy of a telegram† sent to the Hon. Sir Henry Parkes, inquiring whether his Government concurred in the proposed extension.

I have, &c.,

W. GRAY, Secretary.

The Secretary, General Post Office, Sydney.

No. 52.

The Hon. Sir HENRY PARKES to the Hon. the PREMIER, New Zealand.

(Telegram.)

Sydney, 30th December, 1887.

THIS Government is of opinion that there is no urgency in the matter of the Pacific mail-service. The powerful ships now placed on the Orient and P. and O. lines—fifteen to sixteen knots—render the service of much reduced value to us. Still, we are anxious for its maintenance; but we think improved speed should be sought, and probably complete reorganisation.

The Premier, New Zealand.

HENRY PARKES.

No. 53.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company of New Zealand (Limited), Dunedin.

(Telegram.)

Wellington, 4th January, 1888.

FRISCO service.—Postmaster-General has no objection to "Mararoa" being re-employed in service, and has asked whether Sydney will also concur. Presume you have considered that promised increased contributions from United States may not be given in event of "Mararoa" replacing one of the American boats.

James Mills, Esq., Union Company, Dunedin.

W. GRAY.

No. 54.

The Hon. Major ATKINSON to the Hon. the PREMIER, Sydney.

(Telegram.)

Wellington, 5th January, 1888.

FRISCO service, and your telegram of 30th ultimo.—We also recognise that for permanent renewal there should be acceleration of speed and reorganization. Our present proposal will not prejudice this, and I hope to receive your early approval to an extension of existing contract for twelve months. Contractors ask that "Mararoa" be re-employed in the service in the event of the extension being arranged. Have your Government any objection? We have none.

The Premier, Sydney.

H. A. ATKINSON, Premier.

No. 55.

The MANAGER, Union Steamship Company of New Zealand (Limited), to the SECRETARY,
General Post Office, Wellington.

Union Steamship Company of New Zealand (Limited),
Dunedin, 11th January, 1888.

SIR,—

I have the honour to acknowledge receipt of your favour of the 29th ultimo, and note that Parliament has authorised the Government to arrange for an extension of the San Francisco contract for twelve months on its present lines. As I have already advised you by wire, I have cabled the information to San Francisco, and look forward to a reply in a short time.

Yours faithfully,

F. W. WHITSON,

for Manager.

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

No. 56.

The Hon. Sir W. FITZHERBERT to the Hon. the PREMIER.

SIR,—

Lower Hutt, Wellington, 31st March, 1888.

Referring to the interview which I had with you on my return from the Postal Conference, when I informed you that I had, in accordance with your request, brought the subject of the extension of the San Francisco mail-service for a further period of twelve months under the consideration of Sir Henry Parkes on two separate occasions, but that unavoidable circumstances had precluded Sir Henry from giving a definite assurance at a subsequent appointment, I have now the honour to enclose copy of a letter which, under the circumstances, I addressed to the Postmaster-General of New South Wales. I may add that the Hon. Charles J. Roberts was good enough to call on me on the evening of the day on which I forwarded him the letter, of which I now enclose a copy, when he explained to me that a sad and sudden bereavement had prevented Sir Henry Parkes from keeping his appointment with me, and then entered himself into the question of the proposed extension, and expressed himself very favourably towards your proposal.

I have, &c.,

WILLIAM FITZHERBERT.

The Hon. Sir Harry Atkinson, Premier.

Enclosure in No. 56.

The Hon. Sir W. FITZHERBERT to the Hon. CHARLES J. ROBERTS, M.P., &c., &c.

DEAR SIR,—

Royal Hotel, Sydney, 2nd February, 1888.

I have just come from the Colonial Secretary's office, but as I did not find him in, and as I propose leaving Sydney on Saturday, I wish to ask you if you will kindly suggest to me in what way I could most suitably bring the question of the San Francisco mail-service under the notice of your Government.

I was requested by Sir Harry Atkinson to ask Sir Henry Parkes if he would consent to extend the service for another twelve months—that is, from November, 1888, to November, 1889. If Sir Henry's Government would consent to this proposal the New Zealand Government would appreciate such acquiescence. By such an arrangement the contracts for the San Francisco service and the New Zealand direct mail-service would terminate simultaneously, and the New Zealand Parliament would then be in a position to arrange its future mail-services more easily and satisfactorily. I venture to submit that such a brief extension of the existing service could not be adverse to the interests of New South Wales, inasmuch as I find that Spreckels alone uses 45,000 tons of coal (including Honolulu consumption), and that the San Francisco firms load annually thirty vessels, so that the total annual freightage in that connection of Newcastle coal amounts to 200,000 tons.

If, before I leave for New Zealand on Saturday, I could receive an assurance that Sir Henry Parkes's Government would accede to the proposal which I have submitted I can only assure you that it would be a particular satisfaction to me to be the bearer of such an assurance.

I have, &c.,

WILLIAM FITZHERBERT.

The Hon. Charles J. Roberts, M.P., &c.

No. 57.

The Hon. Sir H. A. ATKINSON to the Hon. Sir W. FITZHERBERT, Wellington.

SIR,—

Premier's Office, Wellington, 9th April, 1888.

I have the honour to acknowledge the receipt of your letter of the 31st March, enclosing copy of one which, while in Sydney, you had addressed to the Hon. C. J. Roberts, on the subject of the extension of the contract for the San Francisco mail-service. I have to convey to you the thanks of the Government for your services in connection with the matter, and an expression of regret that circumstances, of which you had no control, should have prevented your bringing it to a successful issue.

I have, &c.,

H. A. ATKINSON.

The Hon. Sir W. Fitzherbert, K.C.M.G., &c.

No. 58.

The Hon. Sir HENRY PARKES to the Hon. the COLONIAL SECRETARY, Wellington.

(Telegram.)

Sydney, 30th April, 1888.

THIS Government agrees, subject to the subsidy being voted by Parliament, to an extension for one year from twenty-first November next, on same terms as at present, of the contract with the Union Steam Company for conveyance of mails between Sydney, Auckland, and San Francisco.

The Hon. the Colonial Secretary, Wellington.

HENRY PARKES, Colonial Secretary.

No. 59.

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

SIR,—

General Post Office, Wellington, 21st April, 1888.

Referring to my letters of the 8th* and 20th ultimo, I regret I am unable by this mail to further instruct you, as I have not yet had any reply from the Government of New South Wales on the Pacific mail-service question, or whether Sir Daniel Cooper will be authorised to act with Sir Charles Tupper and yourself, as suggested by you. I both telegraphed and wrote Sir Henry Parkes, but pressure of important parliamentary business has probably prevented his giving my communications full consideration.

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. 60.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company of New Zealand (Limited), Dunedin.

(Telegram.)

Wellington, 3rd May, 1888.

SUBJECT to Parliament voting subsidy, New South Wales Government now agrees to the twelve months' extension Frisco service. * * * *

James Mills, Esq., Union Steam Company, Dunedin.

W. GRAY.

No. 61.

The Hon Sir H. A. ATKINSON to the Hon. the COLONIAL SECRETARY, Sydney.

SIR,—

Premier's Office, Wellington, 17th May, 1888.

I have the honour to acknowledge the receipt of your telegram of the 30th ultimo, addressed to the Hon. the Colonial Secretary, notifying that, subject to the subsidy being voted by Parliament, your Government agrees to an extension, for one year from November next, of the contract with the Union Steamship Company of New Zealand (Limited), for conveyance of the mails between Sydney, Auckland, and San Francisco. The contractors have been communicated with, and their reply will be telegraphed you immediately on receipt thereof.

I have, &c.,

The Hon. the Colonial Secretary, Sydney.

H. A. ATKINSON.

No. 62.

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

SIR,—

General Post Office, Wellington, 26th May, 1888.

With reference to my letter of the 21st ultimo, I regret to inform you that I am still without a reply from the Premier of New South Wales as to the intentions of his Government with respect to the Canadian Pacific service; but I have received by cable an intimation that that Government has now decided to agree to a renewal of the contract for the San Francisco service for twelve months from November next. I enclose a copy of Sir Henry Parkes's message.

I have, &c.,

H. A. ATKINSON,

Postmaster-General.

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

No. 63.

Mr. JAMES MILLS to the Hon. the POSTMASTER-GENERAL, Wellington.

SIR,—

Union Steamship Company of New Zealand (Limited),

Wellington, 25th May, 1888.

In reply to your telegram inquiring if we are prepared to renew our contract for the conveyance of the mails to and from San Francisco for a further period of twelve months, I have now to say that we are agreeable to carry it on as hitherto with the steamers "Alameda," "Mariposa," and "Zealandia;" reserving the right, however, of replacing the latter vessel with the "Mararoa" should we find it necessary to do so.

I have, &c.,

JAMES MILLS,

Managing Director.

The Hon. the Postmaster-General, Wellington.

* Vide No 33.

No. 64.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company.

SIR,—

General Post Office, Wellington, 4th June, 1888.

I have the honour to acknowledge receipt of your letter of the 25th ultimo, stating that your company is prepared to renew the contract for the conveyance of the mails to and from San Francisco for a further period of twelve months with the steamers "Alameda," "Mariposa," and "Zealandia," with a reservation of the right to substitute the "Mararoa" for the "Zealandia" should occasion require. I have forwarded a copy of your letter to the Postmaster-General, Sydney.

I have, &c.,

W. GRAY.

The Managing Director, (For the Postmaster-General.)
Union Steamship Company of New Zealand (Limited), Wellington.

No. 65.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 2nd June, 1888.

I have the honour to forward herewith a copy of a letter from the Managing Director of the Union Steamship Company of New Zealand (Limited), dated the 25th ultimo, expressing the willingness of his company, as contractors for the San Francisco mail service, to renew the contract for the carriage of the mails by the steamers "Alameda," "Mariposa," and "Zealandia" for twelve months, with a reservation of the right to substitute the "Mararoa" for the "Zealandia," if necessary.

I have, &c.,

The Secretary, General Post Office, Sydney,

W. GRAY, Secretary.

No. 66.

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

(Telegram.)

Wellington, 24th July, 1888.

PACIFIC Services. Will Post Office renew for five years existing Frisco agreement? What assistance Canadian line? Parliament considers question immediately. Reply urgent; definite.

The Agent-General, London.

No. 67.

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

(Telegram.)

London, 24th July, 1888.

PACIFIC Services. Seen Imperial Post Office, but, having regard to state business House Commons, I do not believe slightest chance Chancellor deciding anything permanent immediately. Nevertheless Imperial Post Office wishes help, and although, in consequence of the Imperial Government favouring Vancouver Imperial Treasury would not continue Frisco arrangement five years, I believe could get extended until eighteen hundred and ninety.

The Premier, New Zealand.

[Approximate Cost of Paper.—Preparation, nil; printing (1,525 copies), £18 18s.]

By Authority: GEORGE DIDSBUY, Government Printer, Wellington.—1888.