1889. NEW ZEALAND.

OCEAN $I\!\!AIL\text{-}SERVICES$

(FURTHER PAPERS RELATIVE TO).

[In continuation of papers presented on 16th August, 1888.]

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

No. 1.

Mr. Lambton to the Secretary, General Post Office, Wellington.

Sir,—
General Post Office, Sydney, 16th July, 1888.
In acknowledging the receipt of your letter of the 2nd ultimo [vide No. 65, F.-4, 1888], covering copy of one from the managing director of the Union Steamship Company of New Zealand (Limited), intimating willingness to renew the San Francisco mail-service contract for twelve months with the steamers "Alameda," "Mariposa," and "Zealandia," reserving, however, the right to substitute the "Mararoa" for the "Zealandia" if found necessary, I am directed to inform you that the Postmaster-General sees no objection to the substitution of the "Mararoa" for the "Zealandia" if necessary.

I have. &c..

The Secretary, General Post Office, Wellington, New Zealand.

S. H. LAMBTON, Secretary.

No. 2.

The AGENT-GENERAL to the Hon. the Postmaster-General, Wellington.

7, Westminster Chambers, London, S.W., 27th July, 1888. I received in due course your telegram of the 24th instant [vide No. 66, F.-4, 1888], SIR,stating that Parliament was considering the question of the Pacific postal services, and that it was urgently necessary to know whether the Imperial Post Office would renew for five years the existing arrangements for the San Francisco line, and whether Her Majesty's Government meant to give any assistance to the Canadian line.

For months past I have been in constant private communication with the Imperial authorities on these questions, but it would only have done mischief to send in more official letters. The Post Office has always been most desirous to help New Zealand; but the decision rests with the Imperial Treasury: and ever since Mr. Goschen's conversion and new Budget it has been simply impossible to overtake the financial work there, heaps of questions having to be entirely laid aside.

Immediately on getting your message, however, I saw the Post Office authorities, and discussed once more with them the leading points connected with a Pacific service, whether by San Francisco or Vancouver. They would do anything if they only could; but in the present state of the public business in the House of Commons, and with the certainty of an autumn session having to be held, there is not the slightest chance of the Chancellor of the Exchequer deciding anything, for he has a heap of votes in Supply still to get, and it is hopeless to get through half what has to be done before the House rises. I did not hesitate, therefore, to send you a message at once in reply to yours,

assuring you that it was impossible to get a definite answer to either of your questions now.

Nevertheless, my belief is that Her Majesty's Government favour the ultimate establishment of a Pacific service to Australasia by Vancouver rather than by San Francisco, and it is perfectly well known that the key of the position is really in your hands. The Imperial Government will do nothing that even seems to hurt the Vancouver scheme, and so will not make any arrangement that looks like perpetuating the San Francisco line; but, on the other hand, as they want to keep the Vancouver scheme open until it is riper, they will go on making temporary arrangements to keep the San Francisco line going. Accordingly, I think it all but certain that, although Mr. Goschen will come to no decision of a permanent character now, I might succeed in getting an extension of the existing arrangements for another year—to November, 1890—if that would be sufficient for your present purpose; and I telegraphed to you to that effect. Your message, however, having offered 1—F. 4.