

aid will be given by each towards establishing and maintaining a four-weekly mail-service between Great Britain, New Zealand, and Australia, by way of Vancouver. On receiving a report from the Agent-General, the Postmaster-General will take an early opportunity of communicating the result of the negotiations to your department or Government. In the meantime Sir Harry Atkinson would be glad to hear from the Hon. Mr. Roberts an expression of his views as to the future of any Pacific mail-service to be directly subsidised by New South Wales and New Zealand.

I am also to enclose copy of a cablegram (*vide* No. 3) received from our Resident Agent in San Francisco, announcing that the Washington Post Office had agreed to increase its contribution to the present San Francisco service to over \$40,000 a year, and of the Postmaster-General's reply, accepting up to the end of the existing contract. It should be stated that Mr. Creighton has been in communication with the Postmaster-General, Washington, urging for a substantial contribution in aid of the service, and more especially in view of an extension of the contract. The offer of over \$40,000 is no doubt the outcome of Mr. Creighton's appeal, and not in any way connected with the recent decision of the New Zealand Parliament. I have also sent, in a separate parcel, four copies of printed correspondence relating to the San Francisco and Pacific-Canadian services.

The Secretary, General Post Office, Sydney.

I have, &c.,

W. GRAY, Secretary.

No. 8.

Mr. GRAY to the RESIDENT AGENT for NEW ZEALAND, San Francisco.

SIR,—

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

I have the honour to inform you that the general question of ocean mail-services, in which was involved the renewal of the San Francisco service, was discussed in the House of Representatives last month, and by a majority of eighteen it was decided not to continue the subsidy to the San Francisco service after the expiration of the existing contract in November next year.

I have forwarded in a separate parcel copies of the mail-service resolutions the Postmaster-General submitted to the House, and the amendments moved on behalf of those opposed to the San Francisco service; also Nos. 28 and 29 of *Hansard*, containing the complete debate, from which you will be able to learn generally the reasons which actuated a majority of the members to vote against the continuance of the old-established service *via* San Francisco.

The fortnightly direct service was largely favoured as the only line on which the colony should rely for the conveyance of its European mails; but, while the House pronounced emphatically against the San Francisco service, it empowered the Government to negotiate for a mail-service by way of Canada. And there can be no question that the very meagre support given the San Francisco service by the United States Government had much to do with the decision of the House of Representatives.

Your telegram announcing that the Postmaster-General, Washington, had offered a contribution of over \$40,000 arrived two or three days after the House had disposed of the mail-services; but I doubt, even if it had been received before the close of the debate, whether it would have had any weight with the members.

I attach copies of your telegram and the reply sent by the Postmaster-General, who is anxious to learn on what conditions the increased contribution is to be made—whether the colonies will receive any direct benefit, and whether there is any probability of the larger payment being retrospective in effect—say, from the commencement of the service. I also send you four copies of printed papers relating to the San Francisco and a possible Canadian service.

I have, &c.,

W. GRAY, Secretary.

R. J. Creighton, Esq., 326, Geary Street, San Francisco, California.

No. 9.

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

SIR,—

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

I have the honour to acknowledge the receipt of your letter of the 27th July last on the question of the Pacific mail-services, in which you forward copy of a letter you addressed on the 25th idem to the Imperial Post Office.

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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. 10.

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

SIR,—

7, Westminster Chambers, London, S.W., 6th October, 1888.

I have the honour to acknowledge the receipt of your letter of the 22nd August, acquainting me with the decision come to by the House of Representatives to discontinue the San Francisco service after November, 1889, and directing me to take the necessary steps for initiating negotiations with Her Majesty's Government and the Government of Canada with regard to a mail-service *via* Vancouver.