

I communicated at once with the Colonial Office and the Imperial Post Office, and also with the High Commissioner for Canada and the Agent-General for New South Wales, who, I hope, will be able to act in concert with me in the negotiations with the Imperial authorities. You may depend upon my losing no time in the matter, and upon my reporting to you as soon as possible what can be done.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. D. BELL.

No. 11.

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

SIR,—

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

I have the honour to acknowledge the receipt of your letter of the 6th ultimo, informing me of the steps you had taken up to that date in the matter of the discontinuance of the present mail-service *via* San Francisco, and the institution of a new one by way of Vancouver.

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. 12.

Mr. R. J. CREIGHTON to the SECRETARY, General Post Office, Wellington.

SIR,—

San Francisco, California, 19th October, 1888.

I have the honour to acknowledge receipt of *Hansard* containing the report of the debate on the San Francisco and direct mail-services arising out of the Government proposal to extend the former for a period of five years from November, 1889.

I confess that I was surprised at the result of the debate, because I naturally expected that an intelligent assembly, acting in a deliberative capacity, would have taken a broad view of the question. It is quite true that the United States tariff does not stimulate exports of New Zealand and Australian products to this country, and it is equally true that the bulk of American exports have been to Australia, where a growing demand for them exists. It is not the fault of America that New Zealand buys so little of its products, although it is to be regretted that the United States tariff is unfavourable to trade with New Zealand, as with other foreign countries. But it does not follow by any means that the fiscal policy of this country will always remain "protective," or, more properly, exclusive. The revenue far exceeds any legitimate requirements of the Government, and duties must be reduced or abolished. Should the Democratic party carry this election, the Mills Tariff Bill will become law next session of Congress, opening American markets to your wool, beef, and mutton—that is, giving you at once a consuming market of sixty-five million people, the richest and most prosperous on the face of the earth, and whose numbers are increasing by immigration more rapidly than all other countries combined. This market lies between the colonies and England, and is certainly worth cultivating—even making sacrifices to retain. But the New Zealand Legislature evidently thought otherwise, and, as it speaks and acts for the people in its representative capacity, there is nothing more to be said about it.

I did not deem it prudent to renew my correspondence with the Post Office Department during the turmoil of the election campaign. Only routine business is transacted by any Government office, the political heads of departments being actively engaged in the canvass as a rule. The changed conditions at Wellington on the entire question as to the policy of continuing the service likewise require more consideration than I have been able to give them; but I hope to be able to submit a proposition that will be acceptable at Washington and to the New Zealand Legislature.

It is very improbable that any bonus or subsidy ever will be paid by the United States to any foreign vessels. The payments made under the new arrangement are covered by the Post Office Act embodied in the Revised Statutes. It is optional to pay the whole or a part of the postages. Heretofore only a part was paid; now the whole is paid to the steamship contractors, who will account to your Government, of course, on the basis of the existing contract. The sum is not large, but it adds to the receipts of the department an amount that should never have been withheld from it.

The Southern Pacific has again placed a second fast train daily between San Francisco and Ogden, so that the chance of a twenty-four hours' detention of the mails is not great. The railroad-service has been very bad of late. As advised at present, the mail is on time, and will get prompt despatch on Saturday.

I have, &c.,

ROBERT J. CREIGHTON.

William Gray, Esq., Secretary Posts and Telegraphs, Wellington.

No. 13.

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

SIR,—

General Post Office, Sydney, 5th November, 1888.

I am directed to acknowledge the receipt of your letter dated the 5th September last, intimating that it has been decided by the House of Representatives that New Zealand shall not continue to subsidise the San Francisco mail-service after the expiration of the existing agreement in November, 1889; also forwarding certain resolutions on the subject of ocean mail-services, together with copies of *Hansard* containing report of the debate thereon; and detailing certain action which has been taken by your colony as regards future Pacific mail-services, &c.