

course, I have not felt justified in deviating from the terms of your telegram of the 21st June, and have therefore closely followed these in the letter which (at Mr. Raikes's desire) I sent in to him after the interview; but I thought it might be useful to you to know by cable, in reply to your message, what impression I had derived.

Copies of my letter and of the telegram I sent on the 28th are annexed.

The Hon. the Postmaster-General, Wellington.

I have, &c.,

F. D. BELL.

Enclosure in No. 9.

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

SIR,—

13, Victoria Street, London, S.W., 28th June, 1890.

In accordance with the desire of the Postmaster-General, I now beg to lay before him in writing the questions which I submitted at the interview he was pleased to give me yesterday.

The New Zealand Parliament is now in session, and will presently have under its consideration Mr. Goschen's Budget proposals for reducing the rate of colonial postage; but before it can come to any decision, my Government must be in a position to explain, not only how the proposed change would affect New Zealand financially, but how the permanent mail-service between this country and the colony is to be carried on.

For a long time past, as Mr. Raikes is aware, the central point in the latter question has been whether the two Governments of New Zealand and New South Wales would continue to maintain a Pacific Ocean service either by San Francisco or by Vancouver; and during this period of suspense the San Francisco service has been kept up by successive makeshifts, which will come to an end in November. The whole subject has now, however, entered upon a new phase on account of New South Wales having decided not to join in a renewal of the service; and the problem before the Imperial and Colonial offices alike is how a permanent postal service is to be established between the United Kingdom and New Zealand, and who is to do it.

In my representations to Mr. Raikes I have assumed that, under the changed conditions of the whole case, the Imperial authorities would not desire to dispute their obligation either to make some provision of their own for the British portion of the correspondence, or to come to an arrangement with New Zealand for the purpose—in other words, that a large and constantly-growing correspondence ought not to be left to the chances of temporary and precarious arrangements. But the financial considerations to be taken into account in order to give effect to Mr. Goschen's proposals are, of course, essentially different from those which existed while the postage remained at 6d.; and the view which the New Zealand Parliament may take of those proposals must naturally be influenced by the course which Her Majesty's Government may think right to take as to their part in the future mail-services.

My Government have at present before them the alternatives of either making a new contract for a San Francisco service or giving up that route altogether and arranging for all mails to be sent by the direct fortnightly steamers; but, before they can ask the Legislature to decide between these alternatives, they wish to know what the Imperial Government is disposed to do in either case. The questions, therefore, which I have been directed by cable to bring before Mr. Raikes are these: (1.) Supposing New Zealand decides to accept Mr. Goschen's proposals, would Her Majesty's Government continue to defray, as heretofore, the cost both ways of carrying the mails between London and San Francisco; and what contribution would they make to New Zealand for providing the service between San Francisco and the colony? (2.) Or, if New Zealand decides to give up the San Francisco service, and arranges for sending all mails by the direct fortnightly steamers, what amount would Her Majesty's Government be prepared to pay the colony for providing that service? (3.) But in the event of Her Majesty's Government declining to make such an arrangement for conveying their portion of the mails to the colony by the direct steamers, what amount would they be prepared to pay the shipping companies, stipulating that delivery of the mails should not exceed forty-five days.

I hope I may be permitted to urge the expediency, in the interests of the postal service, of an early answer on these points, in order that I may cable to my Government, and thus enable Mr. Goschen's proposals to be considered by the Legislature at the earliest possible date.

I have, &c.,

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

F. D. BELL.

No. 10.

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

SIR,—

San Francisco, 25th July, 1890.

I have the honour to acknowledge receipt of your letter of 5th June [*vide* No. 63, F.—6, 1890], informing me that the substance of the Tonnage Bill, so far as it was likely to affect the San Francisco service, had been communicated to the New South Wales Government, with a request that Sir Henry Parkes would state whether his Government would consent to a renewal of the service, on existing conditions, for another twelve months. The reply of Sir Henry Parkes, I assume, was embodied in the Hon. Mr. Mitchelson's cablegram of 21st June, which I lost no time in communicating to the Post Office Department at Washington, and adopted other means of conveying to the American public. The result has been a very strong expression of feeling favourable to a continuance of the line.