

with the Direct service are at present at a standstill. I enclose copy of the correspondence which has taken place with the New Zealand Shipping Company, from which you will learn that the joint companies are not prepared to extend the contract for three years on existing terms, and that the Government has refused an offer of the contractors to perform a fortnightly service for £600 per voyage, and has also notified the contractors that they need not expect that the service will be renewed on other than the present terms.

A last communication from the secretary of the New Zealand Shipping Company, dated the 28th ultimo, follows on the intimation that the matter had been referred to London, and contains a despatch from London saying, "Direct Mail-service.—We delay replying definitely till Mr. Harper arrives." Mr. Harper is the chairman of the colonial board of directors of the company. He is on board the "Arawa," due in London about the 5th proximo.

It is doubtful whether the Government can wait until September. The question of the renewal of the ocean services will probably have to be submitted to Parliament before then.

I have, &c.,

J. BALLANCE.

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

No. 136.

The SECRETARY, Bluff Harbour Board, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Invercargill, 12th August, 1891.

THE following resolutions were passed by the Board at its meeting held yesterday, namely: "That, in view of a fresh contract being about to be entered into for a Direct mail-service between New Zealand and Great Britain, the Postmaster-General be requested to take into consideration the fact that, Bluff Harbour being the nearest port of call in the Middle Island for the inward-bound mail-boats, an earlier delivery of correspondence at its commercial centres would result by having the mails landed there than can be obtained under existing arrangements." Secondly, "That, in addition to the exemption from harbour dues, steamers carrying the English mails, in the event of their requiring to be tendered outside this port, the Board agrees to land the mails at Campbelltown free of all charges beyond the actual cost of coal consumed by the tug performing the service."

No. 137.

The SECRETARY, Chamber of Commerce, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Invercargill, 14th August, 1891.

FOLLOWING resolution unanimously adopted at special meeting of Chamber: "That, in the opinion of this Chamber, the time has come when the Bluff Harbour should be made one of the colonial ports of call for the Direct mail-steamers, and that consequently it should be specifically included as the first port of call for inward ships passing through Foveaux Strait in any new contracts entered into by the Government of the colony with steamship-owners for the conveyance of ocean mails. That the Postmaster-General be urgently requested to give the matter his favourable consideration and support in the Cabinet on the grounds of its merits, it being demonstrable that, by means of a properly-arranged train-service connecting with steamers at the Bluff, the inward mails could be delivered several days earlier over a large portion of the colony than is possible by the present method."

No. 138.

Mr. GRAY to the SECRETARY, Bluff Harbour Board, Bluff.

SIR,—

General Post Office, Wellington, 5th September, 1891.

I have the honour, by direction of the Hon. the Postmaster-General, to acknowledge the receipt of your telegram of the 12th ultimo, forwarding the resolutions of your Board in favour of making Bluff the first port of call for the Direct service steamers under any new contract that may be entered into for that service, the Board undertaking to land the mails by its steam-tug.

In reply, I am to express the Postmaster-General's regret that he does not now think it practicable to stipulate that the steamers should land the mails at any one port. The determination of the first or any port of call has hitherto been left at the option of the contractors, and, as the subsidy is now so small, it would be useless to negotiate, the Postmaster-General thinks, for an alteration of the conditions in this respect. Your Board is no doubt aware that under the present contract the Bluff is put in the same position as Port Chalmers, Lyttelton, Wellington, and Auckland. What is now desired would, in the Postmaster-General's opinion, be more likely to be secured were the Board to make direct representations to the contracting company.

I have, &c.,

The Secretary, Bluff Harbour Board, Bluff.

W. GRAY, Secretary.

No. 139.

Mr. GRAY to the SECRETARY, Chamber of Commerce, Invercargill.

SIR,—

General Post Office, Wellington, 5th September, 1891.

I have the honour, by direction of the Hon. the Postmaster-General, to acknowledge the receipt of your telegram of the 14th ultimo, conveying the resolution, adopted at a special meet-