

MEMORANDUM referred to in accompanying note respecting improved commercial relations and reciprocal tariff regulations, as agreed upon in conference, held informally in Ottawa, 10th June, 1895—between Sir Mackenzie Bowell, Premier, &c., and the Hon. George E. Foster, Finance Minister, &c., as representing Canadian interests, and the Hon. J. G. Ward, Treasurer, Postmaster-General, &c., as representing New Zealand interests—subject to the approval of the Governments and Legislatures of Canada and New Zealand respectively.

The following named articles, when the produce or manufacture of New Zealand and imported direct therefrom into Canada, and when the produce or manufacture of Canada and imported direct therefrom into New Zealand, to be admitted in both cases free of Customs duties, viz. :—

1. Animals (live), excepting hogs.
2. Frozen or fresh meats.
3. Bacon and hams.
4. Fish.
5. Hides.
6. Milk (condensed or preserved).
7. Wool, and manufactures composed wholly or in part thereof—viz., blankets, flannels, tweeds, and rugs.
8. Flax (*Phormium*).
9. Barley.
10. Oats.
11. Wheat and wheat-flour.
12. Seeds.
13. Coal.
14. Kerosene oil (petroleum).
15. Safes.
16. Organs and pianofortes.
17. Tallow.
18. Lumber and timber, planks, boards and dimension stuffs, rough or manufactured, including doors, sashes, and blinds.
19. Binder-twine.

The following articles, when imported under like conditions and in like manner, to receive in both countries preferential tariff treatment as follows, viz. :—

1. Agricultural implements, including also axes, hatchets, scythes, forks, rakes, hoes, shovels, and spades, if made dutiable under New Zealand general tariff, to be free.
2. Twines of all kinds, ropes, and cordage, a rate equal to $2\frac{1}{2}$ per cent. *ad valorem* less than the general tariff rates current at date of importation.
3. Leather, a rate equal to 10 per cent. off the rate current at date of importation.
4. Boots and shoes, harness and saddlery, at $17\frac{1}{2}$ per cent. *ad valorem*, or, in case the general tariff rate in both countries be 25 per cent., the preferential rate to be 20 per cent.
5. Furniture, at 20 per cent. *ad valorem*.

MACKENZIE BOWELL.

GEORGE E. FOSTER.

J. G. WARD,

Colonial Treasurer, New Zealand.

CANADIAN PACIFIC MAIL-SERVICE.

To enable the trade between Canada and New Zealand to be successfully carried on, it is advisable that regular steam communication between the two countries should be established. With this view an agreement between the Canadian Pacific Steamship Company and the Government will be submitted to the House for approval. The line of steamers at present running between Canada and Australia is subsidised for a period of about eight years by the Canadian Government, and also for a shorter period by the New South Wales Government. It is proposed that the line of steamers should run to either Auckland or Wellington, and, in return for a monthly service, to be conducted with a view to necessary expedition and accommodation, touching at Fiji and Honolulu, to give to the company a subsidy of £20,000 per annum for a period of years to be fixed. I believe that the advantage, direct and indirect, which will be gained by the colony if this proposal is given effect to, will more than warrant this outlay. The whole sum of £20,000 cannot in any case be a direct loss to the colony, inasmuch as the line of steamers so subsidised will carry mail matter, upon which, under ordinary circumstances, we would have to pay a poundage. The advantages of such a service in developing our tourist traffic cannot be over-estimated. With the establishment of this service it is not intended to abandon or weaken our support to the San Francisco line, which gives us an important connection with America. Our policy is to have a fortnightly connection from New Zealand by the two lines to America and Canada respectively.