

Government. We feel assured that there is a successful future in store for this service, which has the advantage of being entirely under British control, and, seeing that the service is already being supported by the Governments of Canada and New South Wales, as well as by the Crown colony of Fiji, I feel certain that, when the Parliament of New Zealand gets a further opportunity of discussing the question after the initiation of the service, they will decide to become associated with the other colonies mentioned in supporting the service.

I have, &c.,

ROBERT GRAYSON,

Representing James Huddart.

The Hon. R. J. Seddon, M.H.R., Premier, Wellington.

No. 50.

The Hon. W. C. WALKER to the AGENT-GENERAL.

SIR,—

Premier's Office, 16th February, 1897.

I have now the honour to refer to your memorandum of the 16th October last, covering copy of letter from Mr. James Huddart, relative to the provisional agreement signed by the Hon. Mr. Ward and himself in London on the 19th April, 1895, for extending the Vancouver service to New Zealand, and to the cabled reply forwarded by the Premier on the 12th December last, copy of which is enclosed.

The position taken up by Mr. Huddart appears to have been unwarranted. As you are aware, not only was the provisional agreement laid on the table of the House of Representatives in the session of 1895, but a vote of £5,000 in aid of the service was also proposed. These, for reasons not now necessary to discuss, were withdrawn. It was the intention to again have brought forward the question last session, but, as the renewal of the San Francisco service necessarily had to be dealt with this year, Government deemed it more advisable to further defer consideration of the Vancouver service in order that proposals dealing comprehensively with both services might be submitted to the new House; and, as indicated in the Premier's cablegram, the Government could not recognise any proposals of Mr. Huddart's for extending the Sydney-Vancouver service to New Zealand until Parliament had come to a decision on the question.

In anticipation of the discussion in Parliament next session, it is necessary that Government should know what support is to be given by the Imperial authorities to such a service, and I shall be obliged if you will place yourself in communication with the London Post Office, and ascertain what contribution will be made by the Imperial Government towards the cost of a Vancouver service subsidised by this colony to secure, with that *via* San Francisco, a fast fortnightly exchange of mails between Great Britain and New Zealand. It is also advisable that you should obtain from the representative of the Canadian Government the rates which would be charged for territorial transit of the colonial mails between the Pacific and the Atlantic seaboard. Owing to its geographical position, New Zealand, as you are aware, is not one of the contracting parties to the Federal or Suez mail-service, and that up to the present no ocean mail-service has met the colony's requirements so satisfactorily as that *via* San Francisco—circumstances which should have due weight with the Imperial Government in contributing to the cost of any renewed San Francisco service, and also in assisting the colony to establish and maintain an alternative mail-line by way of Vancouver. In negotiating for the renewal of the San Francisco service, the Government intends to stipulate for shortening the time between New Zealand and San Francisco, and for improving the service generally. Already the contractors are building a larger and more powerful steamer to replace the "Monowai," and should Parliament decide on a renewal of the service for a term of years, and to pay a reasonable subsidy, other improvements will no doubt follow.

In connection with the renewal of the San Francisco service in 1893 for three years, the London Post Office agreed, as you will learn from your predecessor's letter of the 4th October of that year, to continue its present contribution until the next Postal Union Congress, which meets in Washington in May next. There is no reason to suppose that this payment will not be continued until the expiration of the contract; but it would be as well if you approached the London Post Office authorities and obtained their consent to this.

With respect to the Washington Postal Union Congress, I should inform you that the delegate for Australasia (who is not yet appointed) is to be instructed to bring forward the question of the high territorial transit charges now levied by the United States Post Office on the colonial mails, and to appeal for a substantial reduction in the rates. I venture to hope that the London Post Office may be disposed to support the reduction, and I would like you to communicate with the authorities to this end. The position of the territorial transit rates, so far as they affect this colony, will be found in Parliamentary Paper F.—6, 1894, pages 20 and 26.

I have, &c.,

The Hon. W. P. Reeves,

Agent-General for New Zealand, London.

W. C. WALKER,

In the absence of the Premier.

No. 51.

The SECRETARY, General Post Office, Wellington, to the POSTMASTER-GENERAL, Ottawa.

SIR,—

General Post Office, Wellington, 18th February, 1897.

I have the honour to inform you that the question of extending the Sydney-Vancouver steam-service to New Zealand is to be considered by the Parliament of this colony at its ensuing