

In reply, I would state that at present I have not received any reply to my communication in regard to the discrepancy reported in the receipt of the "Aorangi's" mails. I think it probable that a report has been sent direct to the department, but will inquire further into the matter.

I have also to report that no communication has been received by me in regard to the reported action of the master of the "Etruria." The suggestion contained in my communication of the 30th November was to the effect that the New Zealand office should inquire into this matter at the London office of the Cunard Company, that course, in my judgment, being more likely to arrive at results, and be a guide for future actions.

I have, &c.,

H. STEPHENSON SMITH, Resident Agent.

The Secretary, General Post Office, Wellington.

No. 118.

The SECRETARY, General Post Office, Wellington, to the MANAGING DIRECTOR, Union Steam Ship Company, Dunedin.

(Telegram.)

Wellington, 14th February, 1899.

MAIL AGENT reports leaving San Francisco 26th January, 1.24 a.m. Arrived Auckland 7.25 this morning. Before leaving San Francisco he learned that Oceanic Company about to let contract to Cramp for construction of two, and probably three, six-thousand-ton seventeen-knot steamers for this trade, and that "Mariposa" and "Alameda" were to be re-engined and improved, giving an increased speed of one knot.

No. 119.

The RESIDENT AGENT for NEW ZEALAND, San Francisco, to the SECRETARY, General Post Office, Wellington.

SIR,—

Resident Agency for New Zealand, San Francisco, 22nd February, 1899.

I have the honour to forward enclosed for your information copies of correspondence lately forwarded to Washington, embracing a proposition from the Superintendent of Mails of the San Francisco Post Office in regard to an endeavour to expedite the colonial mails destined to and from the United States now forwarded *via* Vancouver, as well as a suggestion tending to effect a saving in the through transit to Europe of the mails now sent by the Canadian Pacific Railway.

It is estimated that by Mr. Ford's plan a saving of four days in delivery of correspondence for and from Pacific coast ports of the United States would be accomplished, and of one day in delivery of that for eastern points.

I am disposed to think that a saving could be accomplished in regard to the mails bound to Australia by the adoption of the suggestion outlined, but the saving on the upward voyage could not be effected without a material alteration of the present time-tables of the connecting steamers at Honolulu bound to the States. If, however, these time-tables could be rearranged a saving of probably two days could be accomplished in the through time to Europe, provided the mails were enabled to make close connections at New York, the saving being one day between Honolulu and San Francisco and one day in the overland transit.

I foresee, however, that, even if the "Australia's" time could be postponed at Honolulu to connect with the Canadian steamers on the upward trip, there may be difficulties with the contractors in the matter of foregoing the transit on the portion of the service between Honolulu and Vancouver; and if Messrs. Spreckels hold their steamer for the connection they will probably want something more than the ordinary sea-postage. You will see by the enclosed time-tables of the various steam-lines that run between Honolulu and San Francisco that the "Australia's" (the most available) dates at present indicate a departure four days prior to the present dates for the arrival of the Canadian steamers at Honolulu. If it is the intention of the New Zealand Government to make a two-days delay in the departure of the Canadian steamers from Wellington to correspond to the lately proposed delay to the San Francisco steamers there would only be two days' difference, and this difference Messrs. Spreckels think they could arrange without seriously disarranging their present dates.

I send you this proposition for your consideration without any recommendation further than to state that, if the arrangement was made, I think the through service would generally be benefited to the extent of two days as a finality. Kindly give the matter your consideration; and if you think it worth while I can make further inquiries.

I have, &c.,

H. STEPHENSON SMITH, Resident Agent.

W. Gray, Esq., Secretary, General Post Office, Wellington.

Enclosure in No. 119.

The GENERAL SUPERINTENDENT of the POST OFFICE, San Francisco, to the RESIDENT AGENT for NEW ZEALAND, San Francisco.

San Francisco Post Office (Office of the Postmaster), San Francisco, Cal.,

DEAR SIR,—

20th February, 1899.

Referring to our conversation of this morning, I beg to herewith transmit to you copy of Mr. Ford's letter of 19th January, 1899, addressed to Postmaster Montague, and the reply of Hon.