Company, the obtaining of large profits is made paramount to a lowering of the scale of charges by which increased trade by that route would be encouraged, to the great advantage to the Mother-land and some of her principal oversea dependencies. I am hopeful that finally we may have the advantages to this country of regular services by the three routes—namely, Vancouver, San Francisco, and Suez. These, together with the excellent direct services that are being run for passenger and cargo purposes between New Zealand and Great Britain, should place us in a position in the oversea carrying for our general trade of much greater advantage than at present exists.

[Read here No. 19, Wellington-Rarotonga-Tahiti Route.]

No. 75.

The Right Hon. the PRIME MINISTER, Wellington, to the Hon. the PRIME MINISTER, Melbourne. SIR,—

Prime Minister's Office, Wellington, 22nd November, 1909.

I have the honour to inform you that on the 25th ultimo I cabled to the Prime Minister of Canada, asking that he might see his way to arrange with your Government to agree to the extension of the Canadian Australian mail-contract after the first August next, including Auckland as a port of call. In such case New Zealand would be willing to join in the subsidy for a period of five years. In reply, Sir Wilfred Laurier informs me that Canada will be ready to participate in the proposed service if the Commonwealth concurs.

The question of including a New Zealand port in the route of the Canadian Australian mail-service has been frequently before your Government, but, apparently, it has not been possible to make a change during the operation of the contracts which have been made by the Commonwealth hitherto.

It is hoped that the offer of New Zealand to participate in the contract for five years will render it possible for your Government to give favourable consideration to the proposal now under discussion.

I have. &c..

J. G. WARD, Prime Minister.

The Hon. Alfred Deakin, Prime Minister, Commonwealth of Australia, Melbourne. [P.O. 09/460(8).]

No. 76.

The Deputy Postmaster-General, Ottawa, to the Secretary, General Post Office, Wellington. Sir.—

Post Office Department, Ottawa, 22nd January, 1910.

Referring to your letter of the 4th November last and to previous correspondence on the subject of the diversion of correspondence from the Vancouver to the Wellington-Papeete-San Francisco route, with which you included the relative "M" statement respecting mails from New Zealand offices for the United Kingdom despatched via Vancouver during the period from the 1st to the 28th May last, I have the honour to enclose herewith the account "N" for transit charges due Canada on such correspondence.

Since the account for 1908 was rendered to your Department it has been ascertained that the New Zealand mails sent via Canada and the United States have been conveyed by the Canadian Pacific Railway from Vancouver to Montreal since the services of the ocean mail clerks on the mail-steamers to Vancouver were discontinued, and consequently the charge for land transit would be 3 f. 40 c. instead of 1 f. 50 c. and 20 c. on the two classes of mail matter included in the account, the distance being 2,904 miles. I am therefore forwarding an amended account for the year 1908, and would ask you to be so good as to have both accounts examined, corrected if necessary, and an accepted copy of each returned to this Department at your convenience. It is presumed that the account between our Administrations will be settled on the basis of the statistics of November. 1907, from the 1st of January, 1908, to the 30th of April, 1909, and according to the later statistics for the balance of 1909 and succeeding years.

I have, &c.,

WM. SMITH, for Deputy Postmaster-General.

The Secretary, General Post Office, Wellington. [P.O. 09/311.]

No. 77.

[News Extract, 10th February, 1910.] CARRIAGE OF MAILS.

New Service between Canada and Australia.

(Telegram.)

As a preliminary to calling for tenders for the new mail-service between Australia and Canada, the Postmaster-General (Sir John Quick) has extended the existing contract for another year, from 31st July next.

Tenders for the proposed new service will be on the basis of the present route, for three or five years. The contractor will be left to specify any other route, declaring what the extra or reduced subsidy would be.

[Van. Misc. 10/10.]