

It seems very doubtful if New Zealand is receiving anything like an adequate *quid pro quo* in respect of the Californian subsidy. It is useless now, however, to regret the omissions and blunders of the past, and I feel convinced that, if gone about with earnestness and determination, these may be redeemed in respect to the future.

The trade of New Zealand is increasing at an enormous rate; the production of grain alone is now assuming a magnitude which, when the railway system is completed and the available country occupied, will sink into comparative insignificance.

There can, I think, be little doubt that, in the course of a very few years, this colony, in addition to its other productions, will supply the market of the world with food to an extent unequalled by any other country of similar area and population; the production of cereals this year in Canterbury and Otago alone is over 260,000 tons, the population of both provinces being a mere handful.

No doubt these facts are already patent to your mind. I allude to them as forming one of the elements which may fairly be taken into account in considering the question as to whether or not a direct steam service will pay. With steam vessels so constructed as to carry grain in bulk, I see nothing to prevent our competing in the European market with any other country to the extent of hundreds of thousands of tons annually.

In estimating the prospect of a steam line to New Zealand it is not so much the carrying of cargo that may be reckoned on, as that of passengers, a very large proportion of whom would be of what may be termed the "paying class." You may rely upon it that, so surely as New Zealand is brought within forty days' sail of England, by means of floating hotels, the attraction of the Hot Springs in the North, and grandeur of the scenery in the Middle Island, will lead to an enormous passenger traffic to and from Europe; in point of fact, New Zealand must inevitably become an essential portion of the "grand tour."

In writing thus I may, perhaps, be regarded as stepping somewhat outside of the conventionalism of official correspondence. The conviction on my mind is, however, so strong as to the magnitude of results which must needs accrue from a thoroughly efficient direct steam service between New Zealand and the mother country, that I cannot refrain from freely expressing my thoughts on the subject.

I might say a great deal more in favour of such an undertaking, were it not that I feel assured that you are as fully alive to its importance as myself, and that you will leave no stone unturned to get it carried into effect.

I may remark that this is no new idea in as far as I am concerned, and that several years ago a correspondence took place on the subject between the Albion Shipping Company and the Superintendent of Otago. The former were inclined to dispose of their splendid fleet of sailing vessels, and to replace them by suitable steamers, provided the province would have entered into an immigration contract upon certain terms. At the time, however, the aspect of colonial policy was such that the Provincial Government was paralyzed in its action, and hence the negotiations fell to the ground, much to the detriment of New Zealand.

I do not know how far the Albion Company might be induced to entertain a similar proposal now; but, as I understand the Company still comprises some of the most eminent and extensive steamship builders on the Clyde, it might be well for you to communicate with them on the subject.

I will now allude to another view or phase of the question. Of course, if a steam line be established, it is supposed to have its terminus at some port in New Zealand, and here, it is to be feared, arises a difficulty: it is a difficulty, however, which I would fain hope may be found to be more apparent than real, should the matter be brought to a practical issue.

It is supposed that there is so much jealousy towards one another on the part of the leading communities throughout the colony that, rather than let any one port have the advantage of being the terminus of a steam line, the colony would forego the benefit of such a service altogether. While there may be some amongst us who are guided by such narrow-minded and impracticable views, I venture to hope that such opinions are not entertained by many.

Now that we have taken a fresh starting point, upon the basis of a national life, it is to be hoped that all parts of the colony will be alike to all. As it is, I should be disposed to leave the question of terminus, or ports of call, very much to the judgment of the contractor; it would be for him to select such port as would best enable him to carry on the service on the lowest terms to the colony.

I have only further to express an earnest hope that you may be able to succeed in at once breaking ground in this important matter, and that proposals may spring up sufficiently tangible to enable them to be dealt with by the Legislature at its ensuing session.

The Agent-General for New Zealand, London.

I have, &c.,
J. MACANDREW.

No. 12.

The Hon. the MINISTER for IMMIGRATION to the AGENT-GENERAL.

SIR,—

Immigration Office, Wellington, N.Z., 23rd April, 1878.

My attention having been directed to your account of expenditure for the month of January last, it has occurred to me that probably a reduction might be made in some of the items; for instance, I think that the commissions to persons for securing emigrants might be done away with, now that the scheme has been in operation for some time past, and looking to the number of nominations sent Home every month. It also appears that the clerical work of copying and making up the ships' books is done outside of the department altogether, payment having been made to a Mrs. Sunter, of Portugal Street, on that account.

Would it not also be possible to reduce the amount of office accommodation required to less than nine rooms, at an annual expenditure for rent of £481 4s.?

The Agent-General for New Zealand, London.

I have, &c.,
J. MACANDREW.