

New South Wales and New Zealand have much to contend against in maintaining the San Francisco Service, while those colonies which favour the competing mail lines *viâ* Suez have recently been placed in a much more advantageous position than hitherto. The contract recently entered into by the Government of Victoria with the Peninsular and Oriental Steam Navigation Company provides for a fortnightly service between London and Melbourne in forty days. The steamers proceed through the Suez Canal without, for the present, transshipping *en route*. Concurrently with the establishment of this fortnightly service, and at the invitation of the British Post Office, the circuitous Southampton line has been abandoned, and the whole of the Suez mails are now sent by the more expeditious route of Brindisi. Telegrams are published in the colonial papers stating that the Victorian Government has succeeded in inducing the Imperial Government (notwithstanding protests from New South Wales and New Zealand) to reduce the postage *viâ* Brindisi to the same rates as are levied on correspondence transmitted *viâ* San Francisco. If this be the case—and the Postmaster-General has no reason to doubt it—New Zealand will suffer a still further loss by a diminution of mail-matter forwarded in its mails *viâ* San Francisco.

In addition to this accelerated service *viâ* Suez, the steamers of the Orient Line now alternate weekly with those of the Peninsular and Oriental Company, and convey mails between Australia and London for the ordinary postage payments. By these changes the Australian Colonies secure at a comparatively small cost a weekly mail service with the United Kingdom by way of Suez and Brindisi, which it is obvious will prove a most formidable rival for the San Francisco Service. With a weekly post from Great Britain to the colonies by way of Brindisi, there will be a serious falling-off in the correspondence sent *viâ* San Francisco, and the colony's postal receipts on account of this line will be correspondingly diminished.

The above facts constitute, in the opinion of the Postmaster-General, strong reasons why it is desirable you should succeed in bringing your negotiations to a successful termination, and insure to the colonies interested in the San Francisco Service a very necessary reduction in the cost.

The Postmaster-General recognizes that you have taken great pains to place the case of the colonies exhaustively before the public in America, and to enlist the sympathies of those gentlemen who are likely to aid you in obtaining these very necessary concessions. The Postmaster-General cannot doubt that you will yet succeed.

In a former letter to me you stated that it might be desirable you should visit Washington and New York. If you are still of the opinion that a journey East would aid you in your negotiations, the Postmaster-General is prepared to authorize the payment of any reasonable sum which may be incurred by you to defray the cost of your journey to and from those cities.

R. J. Creighton, Esq., Resident Agent for New Zealand,
San Francisco.

I have, &c.,
W. GRAY,
Secretary.

No. 23.

The PRESIDENT, Pacific Mail Steamship Company, to Mr. GRAY.

Pacific Mail Steamship Company, Pier, Foot of Canal Street, N.R.,
New York, January 10th, 1880.

SIR,—

We have the honor to acknowledge the receipt of your letter* of the 5th December, 1879, enclosing copy of official time-table for the year 1880, which we note is the same schedule as that of 1879, which fact had been communicated to us by wire by our agents at Sydney, N.S.W.

By this same mail, however, we are in receipt of a telegram from the Hon. the Postmaster-General, dated 8th December, 1879, and forwarded by our Auckland agent, copy of which we enclose herewith.

The request to shorten the schedule time by three days from London to Sydney, in order to compare favourably with the new time-table of the Peninsular and Oriental steamers, is too important to be replied to definitely by this mail. We are also without any expression of the views of your Government on the matter, which we suppose, however, will come to hand shortly.

In the meanwhile we shall of course conform to the time-table as forwarded by your good self.

W. Gray, Esq., Secretary, Post Office Department,
Wellington, New Zealand.

I have, &c.,
JOHN RILEY,
President.

No. 24.

Mr. GRAY to the PRESIDENT, Pacific Mail Steamship Company.

SIR,—

General Post Office, Wellington, 28th February, 1880.

Until perusing your letter of the 10th ultimo, I was not aware that the Postmaster-General of New South Wales had preferred a request to your Company to shorten the time from London to Sydney. The Postmaster-General desires me to say that he is of opinion the request should have been made in the joint names of the Postmasters-General of New South Wales and New Zealand, and that all such like representations should be dealt with in a similar manner.

The Postmaster-General fully recognizes the desirableness of accelerating the service; and he was much gratified to receive by the "City of New York" a communication from your agents at San Francisco proposing, on behalf of the contractors, to reduce the time on the through journey from London to Auckland and Sydney by three days—indicating as the proposal did that your Company had given the question of how best the service might be accelerated, prompt and favourable consideration. The proposal has, of course, been accepted, and your agents advised by cablegram that the

* *Vide* No. 31 of F.—3, 1879.