

No. 19.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company (Limited), Dunedin.

(Telegram.)

Wellington, 5th October, 1891.

FR'ISCO Service.—Could not wait until you communicated with Spreckels by mail and obtained reply, as the last inward mail under present contract left London on Saturday last. Last mail from this end leaves Auckland on 7th proximo. From this it will be apparent that something should be settled forthwith, as London and public should know at once whether service to be continued.

No. 20.

Mr. MILLS to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Dunedin, 6th October, 1891.

WE have written fully Spreckels recommending accept for three years. Prefer wait cable reply before finally closing. Prepared guarantee one year to enable you to complete your arrangements. Will this be satisfactory? If not, will open cable communication with Spreckels at once.

No. 21.

Mr. GRAY to the MANAGING DIRECTOR, Union Steamship Company (Limited), Dunedin.

(Telegram.)

Wellington, 7th October, 1891.

FR'ISCO Service.—Postmaster-General will be satisfied with your proposed twelve months guarantee, provided you undertake to give definite answer *re* three years' renewal within a week of arrival of outgoing mail at Fr'isco. But until we hear from Agent-General whether London Post Office will continue present arrangements, Postmaster-General will be unable to ratify even the twelve months' renewal. Agent-General cabled to-day, and advised that your company willing to renew. Asked to reply immediately. Shipping Company, while anxious to contract for conveying mails from London to colony, unable undertake service Homeward. We could not entertain any such offer, but have referred it to London Post Office through Agent-General.

No. 22.

The Hon. the PREMIER to the AGENT-GENERAL, London.

(Telegram.)

Wellington, 7th October, 1891.

OCEAN Services.—Fr'isco contractors renew four-weekly; eleven shillings letters. Important decision Imperial Treasury known forthwith, enable make contract. Hope renew present terms. New Zealand Shipping Company decline Homeward, but offers contract outward mails. Replied unable entertain, but refer Imperial Post Office, which advise not favourable service Direct steamers one way only. Cable reply urgent both services.

No. 23.

The Hon. A. J. CADMAN to the AGENT-GENERAL, London.

SIR,—

Premier's Office, Wellington, 8th October, 1891.

I have the honour to acknowledge the receipt of Sir Dillon Bell's letters of the 24th July and the 7th August last, with reference to his contemplated negotiations with the Imperial authorities for a renewal for three years of existing arrangements for the apportionment of the cost of the San Francisco and Direct mail-services.

It was with much concern that I learned from Sir Dillon Bell's letter of the 24th July that he considered that the difficulties in obtaining the consent of the Imperial Treasury to renew existing arrangements had been entirely under-estimated by the Government. I venture, however, to hope that as negotiations have progressed they have shown that the difficulties were not so serious as feared by Sir Dillon. Government felt that there might be some opposition to a renewal of the arrangement for a term of three years; but by giving the Imperial authorities timely intimation of our intentions, and to the fact that they hitherto have recognised that the colony's isolated position made the existence of independent postal communication with the Mother-country a necessity, it was not unnaturally considered that there ought to be any serious objection to a renewal of existing arrangements, even for three years, at least in respect to the San Francisco service, which, so far, has been the quickest and most reliable mail route for New Zealand. The question of a Vancouver service was not lost sight of. Government had been advised that with the death of Mr. Bryce Douglas the project had received a serious check, from which it was not likely to recover for two or three years; and even now the Government cannot learn that there is any probability of a fast Vancouver service in the near future.

The absence of any information as to the intentions of the Imperial authorities with respect to the proposed renewal of our ocean services hampered the Postmaster-General when framing his resolutions for the consideration of the House of Representatives, and they had to be submitted with the condition that the renewal of the services would be contingent on the Imperial Post Office agreeing to extend the present agreement for the apportionment of the cost, "or any favourable variation thereof." I send copies of the resolutions, which were passed by the House without amendment.