

to Australasia. British interests naturally point to strengthening the Canadian and Eastern Federal routes, and weakening the competing American line of trade and commerce.

I have also the honour to inform you that the New Zealand Post Office has made arrangements for despatching an alternate mail by the Federal service *via* Suez Canal. This must strengthen the policy of the London Post Office, and correspondingly weaken the American connection, which may in reality be said to depend upon the friendship of New Zealand and the enterprise of the steamship companies, which are now running an unprofitable line to maintain direct mail-communication between the United States and Australia.

Under these circumstances, I trust that the Hon. the Postmaster-General may see his way to make the reduction asked for under the Postal Union Regulations, pending a larger measure of relief by Congress.

I have, &c.,

ROBT. J. CREIGHTON,

Hon. N. M. Brooks, Resident Agent, New Zealand Government.
Superintendent of Foreign Mails, Washington, D.C.

No. 74.

The Hon. J. G. WARD to the MANAGING DIRECTOR, Union Steamship Company (Limited),
Dunedin.

(Telegram.)

Invercargill, 4th January, 1892.

You have not yet submitted an offer for special services to Melbourne. Kindly advise if you intend doing so. It is necessary for me to come to a decision definitely by Tuesday next.

No. 75.

Mr. MILLS to the Hon. the POSTMASTER-GENERAL, Invercargill.

(Telegram.)

Dunedin, 4th January, 1892.

FIND that to give close connection with Brindisi service on dates shown in your schedule would involve complete revision of our time-table. This we cannot do for a nominal subsidy, as suggested. Our present schedule days suit the various ports, and any alteration would involve expense and inconvenience, for which we would require a substantial subsidy. We should prefer if you can utilise our present sailings, and we will at all times study convenience of department as far as lays in our power.

No. 76.

The Hon. J. G. WARD to the MANAGING DIRECTOR, Union Steamship Company (Limited),
Dunedin.

(Telegram.)

Invercargill, 4th January, 1892.

MUCH obliged for telegram, and I will arrange for Federal service to be carried by your ordinary steamers in meantime.

No. 77.

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

SIR,—

Premier's Office, Wellington, 21st January, 1892.

I have the honour to acknowledge the receipt of Mr. Kennaway's letter of the 6th November, enclosing copy of the one he addressed on that date to the Imperial Post Office, setting forth the several points in favour of a continuation of the apportionment obtaining during the last twelve months of the cost of the San Francisco service, and also of aid towards the cost of an intercolonial service connecting with the Federal mail-steamers.

I am obliged for the clear and concise way in which Mr. Kennaway put the case for the colony. As he says, in respect of the San Francisco apportionment, it was not expected that the colony would have to defray the charges for the Atlantic Homeward transit as well as the exceptionally high rates for the American territorial conveyance, which were not proposed to be reduced. He very properly points out that this is scarcely consistent with the desire of the Imperial Post Office to apply Postal Union principles to the service. The territorial rates, in common fairness, should be reduced to the colony, in consideration both of the new *régime* and of the new apportionment.

With the information Mr. Kennaway had, he did right to ask for assistance towards the cost of an intercolonial service. A really satisfactory service by the Federal packet requires a special one between Australia and New Zealand, but this has been found impracticable at present on the score of cost. The colony, therefore, will have to be content with the transport of the Federal mails intercolonially by the ordinary trading-steamers. A reply of a favourable character from the Imperial Post Office regarding this service might have produced different results; but, in the absence of this, it was considered useless to attempt to reopen negotiations with the Union Steamship Company. The fact, however, remains that the full benefit of an alternate mail by the Federal line cannot be secured without a fast intercolonial service.

I have, &c.,

The Agent-General for New Zealand, London.

J. BALLANCE.