glad to learn from the letter, copy of which I now enclose, that the Lords Commissioners of the Treasury have acceded to this request. I telegraphed their decision to you on the 10th instant. The Treasury hope soon to be in a position to decide as to arrangements after November, 1889.

The Hon. the Postmaster-General, Wellington.

I have, &c., F. D. Bell.

Enclosure in No. 28.

The SECRETARY, General Post Office, London, to the AGENT-GENERAL for New Zealand.

General Post Office, London, 9th March, 1888. SIR, ---I duly received your letter of the 17th of last month in which you were so good as to inform this department that the Government of New Zealand has prolonged the contract for a packet-service between the colony and San Francisco till November, 1889. In view of this prolongation the Postmaster-General has now obtained the consent of the Lords Commissioners of Her Majesty's Treasury to extend, for a further period of twelve months, from November, 1888, the existing arrangements as to the division of postage and cost of the New Zealand mail-service viâ San Francisco. Their lordships hope soon to be in a position to decide as to the arrangements for the I have, &c., S. A. Blackwood. service after November, 1889.

Sir Francis Dillon Bell, K.C.M.G., C.B.

No. 29.

The Hon. Major Atkinson to the Premier, Canada.

Premier's Office, Wellington, 5th November, 1887. Sir,— The current contract for the conveyance of mails between New South Wales, New Zealand, and London via San Francisco expires in November next year; and the Government of New Zealand, before taking into consideration the question of renewing this contract, is anxious to obtain information as to the practicability of establishing a fast and reliable service for the conveyance of these mails by the Canadian Pacific route. I shall therefore be much obliged if you will favour me with such information as will enable this Government to judge of the advantages of the Canadian route. You would, perhaps, at the same time, be so good as to give me an indication of the views of your Government on the question of such a mail-service as is now suggested.

Information is specially desired on the following points: (1.) The maximum time within which mails could be delivered between London and New Zealand by the Canadian Pacific route. Under the present San Francisco contract the contract-time is thirty-five days to, and thirty-six days from, London, but mails have been delivered in London from Auckland by this route in thirty-three days. No new service providing for longer transit would be acceptable; indeed, it is expected that the time could be reduced. (2.) The support which would be given by your Government to a Canadian Pacific service, embracing New Zealand and some port in Australia, say Sydney. (3.) The probability, so far as your Government is aware, of the Imperial Post Office directly contributing to or subsidising such a service, or affording assistance in any other way. In the case of the San Francisco service, the Imperial Government defrays the cost of the overland transit of the colonial mails between San Francisco and New York, and also provides for their conveyance between New York and the United Kingdom. (4.) The facilities which would be given by the Canadian Pacific Railway authorities to such a service. Would the colonial mails be conveyed over their railway-lines free of charge to the colonies? (5.) The ports on the Atlantic at which the mails would be landed and shipped. Would Quebec be the selected port, or would it be necessary to adopt Halifax during the winter months? (6.) The probable mail-time between Liverpool, or Queenstown, and Quebec, or Halifax, as the case may be, and the frequency with which steamers run each way. (7.) The transit-time by railway for mails between either Halifax or Quebec and Port Moody, and the

probability of the service being interrupted or delayed during the winter season.

I should also be glad to be informed if any steps have been taken by the Canadian Pacific Railway Company towards establishing a mail-service to Australasia. If so, what are the size and speed of the vessels proposed to be employed, and what would be the mail-time between Port Moody and New Zealand and Australia, and the through-time between London and the Australian Colonies?

The present Pacific service via San Francisco is maintained jointly by New South Wales and New Zealand. These colonies would act in consort in negotiating for a new contract either by San Francisco or by the Canadian route.

It is hoped that your Government would be willing to afford encouragement to such a service $vi\hat{a}$ Canada by admission into the Dominion on favourable terms of Australasian produce, more especially classed wools. Without this, a Canadian service would have little, if any, commercial advantage to the Australian Colonies over the existing service via San Francisco. As the time within which arrangements for a new service must be completed is very limited, I should feel obliged if you could favour me with an answer to this letter at your earliest convenience.

I have, &c.,

The Right Hon. Sir John A. Macdonald, P.C., G.C.B., H. A. Atkinson, Premier. Premier, Ottawa, Canada.