Enclosure 3 in No. 19.

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

Sir,— 7, Westminster Chambers, London, S.W., 6th December, 1887.

I have to acknowledge the receipt of your letter of 2nd instant, stating that the Lords Commissioners of the Treasury have authorised a continuance of the present apportionment of postages on New Zealand correspondence viā San Francisco till the expiration of the colonial contract for that service, in November, 1888; but that the larger question of what should be done afterwards is still under their Lordships consideration.

I desire to return the thanks of my Government for the extension of the present arrangements till next November; but I hope I shall not appear to be importunate if I once more represent the urgency of a settlement of the point that is still left open. The same question of how to apportion postages must govern not merely any renewal of the San Francisco service but any substitution for it of a service by Vancouver. Now, a Vancouver service will hardly be established without New Zealand, and delay in settling the future appointment of postage will very likely end in there being no postal service either way.

I beg leave to call attention to the following particulars relating to the New Zealand corres-

pondence in 1886:-

Route.	From London.			From New Zealand.			Both Ways.		
	Letters.	Books.	Newspapers	Letters.	Books.	Newspapers	Letters.	Books.	Newspapers
San Francisco Direct steamers Suez, P. and O " Orient	326,909 290,383 21,260 13,685	140,406 327,382 7,287 3,878	729,627 804,446 35,944 22,157	385,808 154,860 1,111 2,393	43,285 18,806 48 67	547,609 143,401 94 395	712,717 445,243 22,371 16,078	183,691 346,188 7,335 3,945	1,277,236 947,847 36,038 22,552
Total	652,237	478,953	1,592,174	544,172	62,206	691,499	1,196,409	541,159	2,283,673

Now, as the great bulk of the correspondence between this country and New Zealand goes by San Francisco and the direct steamers, it is obvious that if a renewal of the San Francisco service is prevented by delay in settling the question of apportionment, practically, all the correspondence will have to go by the direct steamers. This would necessitate a postal contract with the Shaw-Savill line, to alternate with the shipping companies, and if such a contract were once made a return (by New Zealand) to a service via America, whether by San Francisco or Vancouver, would be very unlikely.

The position then appears to be this: The Treasury want to know, before settling the future apportionment of postage with New Zealand, whether the colony means to keep on a service either by San Francisco or Vancouver, while the colony cannot decide whether to keep up the service till it knows what that apportionment is to be. If things remain much longer in this position the

question will settle itself by there being no service viâ America at all.

I venture, therefore, to urge the reasonableness of my request of the 18th October, that if the Treasury will not continue the present apportionment after November, 1888, I should know what other apportionment would be accepted, so that I may telegraph to my Government. The matter is really very pressing, as the session of the New Zealand Parliament will soon terminate.

The Secretary, General Post Office, St. Martin's-le-Grand.

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

Enclosure 4 in No. 19.

The AGENT-GENERAL to the COLONIAL OFFICE.

I have to acknowledge receipt of your letter of the 3rd instant, covering copy of a letter from the Treasury respecting the arrangements for the mail-service via San Francisco. I had already received from the Post Office the intimation contained in the Treasury letter; but I have remonstrated against the further delay in settling the future apportionment of postage, and beg leave to enclose copy of the letter I have addressed to the Postmaster-General on the subject.

The Under-Secretary of State for the Colonies, Downing Street.

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

No. 20.

The Hon. Sir Harry A. Atkinson to the Agent-General, London.

General Post Office, Wellington, 3rd February, 1888.

I have the honour to acknowledge the receipt of your letter of 9th December last, enclosing copies of a further correspondence with the Colonial Office and the Imperial Post Office, relating to the apportionment of postage on New Zealand correspondence via San Francisco.

I have, &c.,

Sir F. D. Bell, K.C.M.G., C.B., Agent-General for New Zealand, London. H. A. ATKINSON, Postmaster-General.