

the Imperial Government for a renewal of the old terms of apportionment from year to year, and this request has been complied with.

“On the last occasion when the Postmaster-General, with the consent of the Lords of the Treasury, renewed the old terms for a year—namely, in October, 1889—the New Zealand Government was informed through its Agent-General in London that, whenever an apportionment more favourable to this department might be arranged, its operation must date from November, 1889, instead of from any later time.

“A fresh apportionment of cost has at length been settled; and I now beg leave to acquaint you that, dating from the 1st November, 1889, . . . . .

## No. 101.

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

SIR,—

13, Victoria Street, London, S.W., 3rd April, 1891.

I have the honour to acknowledge the receipt of the Postmaster-General's letter of the 16th February, relating to the time from which the London Post Office require the new apportionment for the San Francisco service to date.

I have received the intimation with the same surprise as it caused to the Government, and I will take immediate steps to remonstrate against the apportionment claimed by it.

I have, &c.,

F. D. BELL.

The Hon. the Premier, Wellington.

## No. 102.

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

SIR,—

13, Victoria Street, London, S.W., 14th April, 1891.

In continuation of my letter of the 3rd instant, I beg to enclose copy of the letter addressed to the General Post Office, remonstrating against the claim lately made by that office for dating back to 1889 the arrangement made last year respecting the Imperial contribution to the San Francisco service. The matter is still under the consideration of the Post Office and the Treasury.

I have, &c.,

F. D. BELL.

The Hon. the Premier, Wellington.

## Enclosure in No. 102.

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

SIR,—

13, Victoria Street, London, S.W., 6th April, 1891.

I have received from my Government a copy of letter addressed by the General Post Office to the Wellington office on the 24th October, 1890, with reference to the apportionment between this country and New Zealand of the cost of the San Francisco service. In that letter the Post Office refers to the claim made by the Lords of Her Majesty's Treasury in October, 1889, that if an apportionment more favourable to this country were made its operation should date from November, 1889; and the letter goes on to inform the Wellington office that a fresh apportionment of cost having been settled, the settlement was to date back from the 1st November, 1889.

My Government have instructed me to remonstrate against this intimation.

If you will refer to my reply to Mr. Turnor's letter of the 5th October, 1889 (*vide* No. 39, F.—6, 1890), you will see that I explained the practical difficulties connected with the stipulation of the Treasury, which it appeared to me had been overlooked, and that I said it would be best not to complicate matters by a stipulation which might be incapable of application, and proposed to leave the question of apportionment to be dealt with as part of the general subject thereafter.

If the circumstances had remained the same when we made the arrangement last year as they were in 1889 the intimation contained in your letter above quoted to the Wellington office would have had a different aspect; but I must be permitted to point out that the circumstances were entirely changed by the Chancellor of the Exchequer's proposal for the reduction of postage from 6d. to 2½d., and that the apportionment we made last year for the San Francisco service was part of the arrangement depending on the assent of New Zealand to the Chancellor's proposal. This is clearly shown by the correspondence at the time.

In my letter of the 20th August, 1890 (*vide* No. 27, F.—4, 1891), I informed you that, as my Government intended to agree to Mr. Goschen's proposal, it was necessary for Her Majesty's Government to decide what share of the postage would be allowed to New Zealand under the twopence-halfpenny rate, as regards both the San Francisco and Direct services. On the 28th August (*vide* No. 29, F.—4, 1891), in reply to my letter of the 20th, the new apportionment was made for San Francisco, but I immediately pointed out that it was also necessary to decide the apportionment for the Direct service. On the 10th September (*vide* No. 81, F.—4, 1891) I again called your attention to the matter, pointing out that it was absolutely necessary for my Government to settle the proposals they should submit to the New Zealand Parliament, so that the question of accepting Mr. Goschen's proposal might be definitely decided before the prorogation of our Legislature, which was then imminent; and I informed you of the resolutions that were to be brought down in the House of Representatives to give effect to the arrangements which had been made on this side.

Those resolutions were passed on the 13th September (*vide* No. 10, F.—4, 1891), and gave the assent of the New Zealand Parliament to Mr. Goschen's proposal, subject to the apportionment