

Zealand Shipping Company, on the receipt of my cablegram of the 7th idem, on the subject of the ocean mail-services.

There is, of course, now no necessity for further action in respect of either the San Francisco or the Direct service; but I am obliged to Mr. Kennaway for the way in which he handled the matter, and request that you will so inform him.

The Agent-General for New Zealand, London.

I have, &c.,

J. BALLANCE.

No. 158.

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

SIR,—

13, Victoria Street, London, S.W., 27th November, 1891.

I have the honour to acknowledge the receipt on the 12th instant of your letter of the 8th October last (*vide* No. 23).

Immediately on its receipt I had an interview with Mr. Assistant Secretary Rea at the General Post Office, and communicated to him in substance what it contained; and subsequently, on the 17th instant, I addressed a letter to the General Post Office, copy of which I herewith transmit.

It was, I considered under the circumstances, very desirable to impress upon the Imperial Post Office authorities that the New Zealand Post Office regarded the question of specially-addressed correspondence as one of material importance; for it was evident that if the General Post Office sent letters, &c., not specially addressed by the weekly mails *via* Suez, the result would be that the amount of correspondence which would go by the San Francisco route would be considerably diminished, and consequently the contribution of Her Majesty's Government towards the cost of that mail-service would be materially reduced. While, in fact, Her Majesty's Government would on the one hand be giving assistance in maintaining the San Francisco service, with the other they would be adopting a system which would inevitably take from that assistance, in the form in which it was offered, a considerable amount of its original value.

Under the circumstances, and considering that no reply had been received from the General Post Office to my letters of the 6th and 17th instant, in which I invited the Imperial authorities to consider your proposal as to substituting the Federal for the Direct mail-service, and it having been intimated to me that those letters had been referred to the Treasury for consideration, you may imagine that I felt considerable surprise on seeing in *The Times* newspaper of the 25th instant a reprint of an official notice from the General Post Office, copy of which I herewith enclose (not published), abolishing, in effect, as regards New Zealand, the system of specially-addressed correspondence. I immediately communicated with Mr. Assistant Secretary Rea respecting the matter, and on the next day (26th instant) I addressed a letter to the General Post Office, copy of which you will find annexed, in which I endeavoured to represent what I believe would be the opinion of my Government with respect to the course which the Imperial Postal authorities had deemed fit to pursue; and in reply I have this day received a letter from the Secretary to the Post Office, copy of which I herewith also transmit.

It will be seen that, while mentioning my letter of the 26th, no attempt is made to explain what I think I have a right to describe as the very singular action of the Imperial Post Office in making public their decision in regard to an important point connected with a matter in which they were at that very time engaged in a negotiation with the New Zealand Government, and to whose proposals no answer had as yet been received.

The Secretary to the Post Office, in his letter of this day, does not reply or in any way refer to the inquiry which I made in my letter to him of the 6th instant, in reference to the necessity of arranging for an intercolonial mail-service between New Zealand and Australia, and I shall therefore, in acknowledging the receipt of his letter, again direct attention to that point.

It appears to me, if I may venture to offer an opinion, that the question of the mail-services ought not to be dealt with in piecemeal. My letter of the 6th to the General Post Office treated it as a whole, and to come to a decision on one point without considering it in relation to the others is neither desirable nor likely to lead to a mutually satisfactory issue. If, for instance, the Imperial Post Office are going to forward as many letters, &c., as they can by the Suez route, then assistance ought to be granted in quite a different form to that of so much a pound for such letters, &c., as may happen to have accumulated within the circumscribed period between the despatch of one week's Suez mail and that going the next week *via* San Francisco.

It will be seen, however, by the Secretary's letter that the Imperial Post Office are prepared to consider any suggestion that may be made by the New Zealand Postal authorities, and that a letter in this sense has been addressed to the Postmaster-General of New Zealand, thus affording an opportunity of making renewed representations and proposals in respect to the whole question of the ocean mail-services between this country and New Zealand.

I attach copy of cablegram which I am sending to you announcing the decision of the Imperial Post Office as regards the question of specially-addressed letters, and informing you that the other points are still under consideration.

The Hon. the Premier, Wellington.

I have, &c.,

WALTER J. KENNAWAY.

Enclosure 1 in No. 158.

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

SIR,—

13, Victoria Street, S.W., 17th November, 1891.

Referring to my letter of the 6th instant, I have the honour to transmit herewith, for the information of the Postmaster-General, copy (received by me by the mail delivered on the 12th