

the copy of that letter was received here. The cablegram will be found at page 13 of parliamentary paper F.—2, 1892, on ocean mail-services, presented last session, and it contains the instruction, "Accept twelve shillings Frisco one year." No exception has been taken to this either by your own or the London Post Office; and it has, of course, been assumed that the rate of payment by the London Office would be continued at 12s. Indeed, the following, from your predecessor's cablegram of the 19th October, 1891 (No. 35, page 12, of the same parliamentary paper), may be quoted in confirmation of this: "Pacific Service: Imperial Government continue pay your contract rates outward letters, amount not to exceed twelve shillings." It is true that 11s. per pound is the rate named in the resolutions approved by the House of Representatives in the session of 1891 for a renewal of the service for three years; but the reduction from 12s. to 11s. was made advisedly as a set-off against the additional cost which would be borne by the colony through relieving the contractors from payment of half the United States territorial transit-rates on Home-ward mails, imposed on them under the previous agreement. It did not follow that a corresponding reduction in the rate was to be made in respect of mails from Great Britain and non-contracting colonies; and, as a matter of fact, the non-contracting colonies are now paying 12s. per pound on their letter-mails. And this rate has been claimed by New Zealand in its quarterly accounts with the London Post Office; and the accounts for last December quarter (which included three London mails under the renewed arrangement) have been returned to the colony duly accepted. The resolutions of the House also provided, "that all payments or contributions from Great Britain and other countries shall be receivable by the contractors," who, of course, have been and are being paid at the rate of 12s. per pound on the letter-mails from Great Britain. It is to be hoped that, on the position being explained to the Imperial authorities, they will continue payment at this rate for the twelve months ended with the despatch of the mail of the 1st ultimo from London; and I shall be obliged if you will make suitable representations to this end.

It appears that the contractors will also suffer in the matter of the rates proposed to be paid by the Imperial Post Office for transit of its mails from San Francisco to Auckland. It had been understood by the Post Office here that the rates payable would be based on the distance from San Francisco to Auckland as compared to the whole sea-distance traversed on both Atlantic and Pacific, and that of the total rates for sea-transit—viz., 15fr. for letters and post-cards, and 1fr. for other articles (see sub-paragraph 2 of paragraph 3 of Article IV. of the Postal Union Convention), 10fr. 12c. and 67c. respectively per kilogramme would be payable for Pacific transit; indeed, these are the rates set out at page 13 of the printed paper, "A Brief Account of the Formation of the Universal Postal Union," issued by the General Post Office in London. But in Mr. Buxton Forman's letter of the 13th August last to you, the rates to be paid for Pacific transit are fixed at 10fr. per kilogramme of letters and post-cards, and 50c. per kilogramme of other articles, which is also confirmed by his letter of the 3rd September, addressed to the Postmaster-General. It would now appear that the Atlantic transit has been treated as an exceptional service, under sub-paragraph 2, paragraph 4, of the same article of the Convention, and that 5fr. for letters and post-cards, and 50c. for other articles per kilogramme, are the rates to be maintained; with the result that the rates for the Pacific conveyance are reduced by 12c. and 17c. respectively. The loss to the contractors under this arrangement is estimated at £2,539, in the place of £1,975 as estimated here at first on the basis of 10fr. 12c. and 67c. respectively per kilogramme. In a letter to the London Post Office, the Postmaster-General has taken exception to the payment of the lesser rates for the Pacific transit; and I shall be obliged if you will also take up the matter should you find it necessary.

It should be explained that the colony will not make up to the contractors any part of the loss they may sustain should the Imperial Post Office determine to pay Postal Union rates only. New South Wales' increased contribution of £4,000, however, will recoup the contractors to the extent of about £2,000.

Since the foregoing was written I have received your cablegram of yesterday, advising that the Imperial Post Office had definitely refused to continue the present apportionment of the cost of the service—a decision as unexpected as it is disappointing. I had hoped that your appeals would prevail with the Imperial authorities to renew the present apportionment for at least another year. I am, nevertheless, sensible that you have done your best to have effect given to the wishes of the Government; and it is to be regretted that your representations on behalf of the colony have not received that consideration which they were in fairness entitled to.

W. B. Perceval, Esq.,
Agent-General for New Zealand, London.

I have, &c.,
A. J. CADMAN,
For the Premier.

No. 34.

The AGENT-GENERAL to the Hon. the PREMIER.

London, 2nd November, 1892.

(Telegram.)
SAN FRANCISCO: Imperial Post Office finally refuses to alter previous decision.

No. 35.

The Hon. the POSTMASTER-GENERAL to the SECRETARY, General Post Office, London.
Post Office and Telegraph Department, General Post Office, Wellington,

3rd November, 1892.

SIR,—

I have the honour to acknowledge the receipt of your letter of the 3rd September last, formally notifying the decision of Her Majesty's Government to discontinue the support hitherto