

accorded the San Francisco mail-service by paying at an exceptional rate towards its maintenance, the intention being to adhere strictly to the Postal Union regulations in regard to the apportionment of the cost of the service.

I note your request for the preparation of the accounts on the basis of the Postal Union Convention, and also the information that the proportion of the Union rates payable for the Pacific transit from San Francisco to Auckland will be 10fr. per kilogramme of letters, and 50c. per kilogramme of other articles.

In reference to these rates, I have to point out that they still further, and unexpectedly, increase the estimated loss on the service, this office not having been advised that the transit across the Atlantic was to be regarded as one of the exceptional services contemplated by subsection (2), section 4, Article IV., of the Postal Union Convention, to be paid for at 5fr. per kilogramme for letters and post-cards, and 50c. per kilogramme for other articles, thereby leaving only 10fr. and 50c. respectively to be credited to the colony for the Pacific carriage. As a matter of fact, your office, in the printed paper entitled "A Brief Account of the Formation of the Universal Postal Union," page 13, gave the rates for the Pacific transit as 10fr. 12c. for letters, and 67c. for other articles, per kilogramme, and these figures were used by this office when calculating what would be payable by your office under the proposed new *régime*. Should it be eventually decided that Union rates are to govern your payments it is hoped that the higher rates will be allowed by your office.

You are, of course, aware that the Agent-General for New Zealand is endeavouring to secure a continuance of the present arrangement under which your office is paying at the rate of 12s. per pound on the letter portion of your outward mails.

I have, &c.,

W. GRAY,

The Secretary, General Post Office, London.

For the Postmaster-General.

No. 36.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 24th November, 1892.

I have the honour to acknowledge the receipt of your letter of the 29th September last, enclosing copy of the letter of the previous day from the Imperial Post Office, conveying the decision of the Treasury not to alter the determination to contribute to the cost of the San Francisco service on the Postal Union basis only.

I regret this; but no doubt it is useless now to move further in the matter. As the service is mainly supported now by New Zealand, the decision is certainly not fair.

I have, &c.,

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

J. G. WARD,
For the Premier.

No. 37.

The AGENT-GENERAL to the Hon. the PREMIER.

SIR,—

Westminster Chambers, 13, Victoria Street, London, S.W., 27th October, 1892.

I have the honour to acknowledge the receipt of your letter of the 31st August, relating to the ocean mail-services, and beg leave to thank you for the information contained therein, which has been of much service to me.

With regard to the reference you make respecting the amount of the United Kingdom's contribution being 12s. per pound instead of 11s. as given in my letter to the General Post Office of the 4th July last, I may explain that I assumed that the lower amount was being paid, inasmuch as in the Imperial Post Office letter of the 17th October, 1891, it was stated that the United Kingdom would continue to pay at the rates paid to the contractors by the colony, not exceeding 12s. per pound, and the mail-service resolutions passed by the House of Representatives provided that the rate should be 11s. But, as you truly remark, the error does not materially affect the point at issue.

As to the action I have taken in respect to the matter since my letter to you of the 29th September, I beg to state that in the first place I sought and obtained an interview with the Postmaster-General. This interview took place on the 17th instant, and herewith I transmit a copy of memorandum made by me at the time recording the substance of what took place on that occasion.

Previous to my seeing Mr. Arnold Morley, I had an interview with Mr. Sydney Buxton, the Under-Secretary of State for the Colonies, and expressed to him the views the Government held with respect to the action of the Imperial Post Office, and he promised to communicate with the Postmaster-General on the subject.

You will observe that in my interview with the Postmaster-General he expressed a desire for information respecting the prospect of a mail-service *via* Vancouver being established, and I therefore placed myself in communication with Sir Charles Tupper (the High Commissioner of the Dominion of Canada), who informed me that in his opinion there was every probability of a Canadian Pacific service being established at no distant date. I accordingly communicated this information to the Postmaster-General, in a letter which I addressed to the General Post Office on the 18th, copy of which I herewith enclose, and I also took occasion to write a letter (copy herewith) to Sir Charles Tupper, pointing out to him that it was important to keep the San Francisco service open until the arrangements for the Canadian Pacific service were matured.

I also asked the Colonial Office for an interview with Lord Ripon, but, as that nobleman was not in town, I addressed a note to Mr. Bramston, one of the Assistant Under-Secretaries, setting forth briefly the points at issue, and suggesting that Lord Ripon might use his influence in favour of the colony.