

would probably raise a serious difficulty in the colony joining in subsidising a Canadian Pacific service. The General Post Office refuse to pay the whole cost of the carriage of the English mails to New Zealand *via* Frisco, although New Zealand is willing to pay the whole cost of the New Zealand mail Home. This is considered most unfair, as it forces the colony to abandon the service or subsidise the carriage of England's mail to New Zealand, and it, moreover, jeopardises the establishment of the Canadian Pacific mail-service. The General Post Office entirely fails to appreciate the efficiency and superiority of the Frisco service, although the colony is so satisfied of this that the New Zealand Government has continued the Frisco service at an annual loss: the loss last year was about £3,500. It is true that the Post Office is willing to defray the cost of the carriage of England's mail to New Zealand, less a sum of about £2,000; but although this amount is not large it is none the less, in the opinion of the New Zealand Government, a very unfair imposition. It is difficult to understand the attitude assumed by the Post Office, in order to save so small a sum, of departing from what is surely an equitable arrangement, *viz.*, the maintenance of a mail-service on the basis of this country and the colony dividing the expense.

The difference of seven to ten days in time is very important to commercial men, and the interest for that time on drafts in transit is alone a matter of considerable moment.

It may be that in my desire to gain my point with the Post Office I have somewhat exaggerated the effect which their decision will produce in the colony, but my present opinion is that the colony will consider that the Imperial Government has been most unjust, a result which I am most anxious to avoid; and my opinion in this respect is fortified by the fact that my Government seem to assume that the arguments in support of their request are so overwhelmingly strong that they take it for granted the General Post Office must yield. I had an interview with Mr. Morley two days ago, and he promised to communicate my views to the Treasury; but I fear he does not realise the importance attaching to the subject. I enclose a memorandum I made some time back for my own guidance, detailing the arguments, which may help you to understand the question.

John Bramston, Esq., C.B., &c., Colonial Office.

Yours, &c.,

W. B. PERCEVAL.

Enclosure 8 in No. 37.

Mr. PERCEVAL to Sir CHARLES TUPPER.

DEAR SIR CHARLES TUPPER,— 13, Victoria Street, London, S.W., 20th October, 1892.

Referring to my conversation of a few days ago regarding the refusal of the General Post Office to join with the New Zealand Government in maintaining the San Francisco service, I have, in asking the Postmaster-General to reconsider his decision, advanced as an argument in favour of continuing the service the fact that the discontinuance of the service and the new arrangements which would necessarily have to be made for the establishment of an alternative service (which arrangements might have to be for a term of years) might seriously militate against New Zealand joining in providing the necessary subsidy for the support of the Canadian Pacific projected service, of the establishment of which I have assured the Postmaster-General there is a reasonable probability at an early date. My Government regard the proposed Canadian Pacific service as of the greatest importance to the colony, and is anxious to keep the connection *via* Frisco open until the arrangements for the Canadian Pacific service are matured. I think it well to inform you of the argument I have used, so that if you think the circumstances warrant it you may exercise your influence in urging the continuation of the Frisco service pending the establishment of the Canadian Pacific service.

Yours, &c.,

Sir Charles Tupper, Bart., G.C.M.G.,
High Commissioner for Canada, 17, Victoria Street, S.W.

W. B. PERCEVAL.

No. 38.

The AGENT-GENERAL to the Hon. the PREMIER.

Westminster Chambers, 13, Victoria Street, London, S.W.,
4th November, 1892.

SIR,—

Referring to my letter of the 27th ultimo, I beg to transmit copy of letter which I have received from the General Post Office, by which it will be seen that the Postmaster-General regards the decision of the Imperial Treasury, already communicated, as final. There are one or two points in Sir S. A. Blackwood's letter which I consider should not be left unanswered, and I shall shortly, therefore, send a reply to it, copy of which I will transmit to you by next mail.

I may add to the information I gave in my letter to you of the 27th ultimo that I subsequently sent in to the Colonial Office copies of the more important letters bearing on the question at issue, and, in acknowledging their receipt, Mr. Sydney Buxton informed me that the Colonial Office had written fully to the Treasury on the subject, and that he himself had seen Sir R. Welby, Permanent Secretary to the Treasury, about it, and that he hoped to persuade them to adopt a favourable view with respect to it.

I have, &c.,

The Hon. the Premier, Wellington.

W. B. PERCEVAL.

Enclosure 1 in No. 38.

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

SIR,—

General Post Office, 1st November, 1892.

I have laid before the Postmaster-General your letter of the 18th October, on the subject of the decision of the Lords of the Treasury not to continue the support formerly given to the colonial packet service between New Zealand and San Francisco.