

I venture to ask you to express to the Postmaster-General the regret I feel on receiving your communication, more especially as at the interview which he did me the honour to accord to me I certainly understood that Her Majesty's Treasury would be again communicated with, and an endeavour made to bring about a more favourable decision.

There are one or two points in your letter from which it would appear that some misapprehension exists on the part of the Postmaster-General, and to these I feel bound to briefly advert.

In the first place, I desire to refer to your remark that my Government appears to have regarded the decision of Her Majesty's Treasury as final.

I am not aware of the source from which this information has reached the Postmaster-General, and, in the face of the direct communications which I, as the representative of the New Zealand Government in this country, have received, I feel confident in saying that it is an entirely unreliable source.

For the information of the Postmaster-General, I beg to state that, on informing my Government by cablegram of the decision of Her Majesty's Treasury, I received instructions to appeal to the Postmaster-General to renew the existing terms; and in a letter confirming these instructions which I received by the last incoming mail, *via* San Francisco, my Government express their great disappointment at the decision, and their strong opinion that the intention to enforce Postal Union principles so long as the high territorial rates for the United States transit are retained was both illogical and illiberal, and that a more liberal treatment by the Imperial Government of the service, by either substantial increase of the payment in aid or relieving the colony of the burden of the transit charges by an appreciable reduction in the rates or otherwise, would, under the circumstances, be scarcely more than justice.

I feel sure that the Postmaster-General will, with the above information before him, be convinced that such a statement as that to which I am referring is unfounded, and that he will relieve me from the implication that, in appealing to him for reconsideration of the matter, I was acting outside the wishes and authority of my Government.

Referring to the last paragraph of your letter, in which you state that doubtless I am aware that the views which have led to the decision against which I, on behalf of my Government, have appealed, have long been held by the Imperial authorities, I must confess that I was entirely unaware of the fact, and, moreover, I feel assured that it has never occurred to my Government that the Imperial authorities would go so far as to decline to meet at least the cost of the service in question, so far as the conveyance of the mails sent from the United Kingdom was involved. My Government, it is true, have appreciated the concessions made with regard to this service by the Imperial Government in previous years; but this appreciation extended only to the fact, as shown in my letter to you of the 4th July last, that the colony was at one time relieved of the payment not only of the charges for the Atlantic service, but also of those for the land-transit across America. But I feel sure that no expression of appreciation can ever have been made on account of Her Majesty's Government postponing the realization of the views which have now been adopted, and against which I have unsuccessfully ventured to appeal.

In conclusion, I would beg leave to refer to the reason which you now give for the Treasury's decision—namely, that it arose from the conviction that, as far as Imperial interests are concerned, the service is not an absolute necessity, but is one which the Colonial Government might reasonably be left to provide. This view of the subject has not been prominently stated before, and my Government have therefore had no opportunity of referring to it to the extent which its importance deserves.

It is not for me to lay down what are the Imperial interests which would render a mail-service worthy of adequate support; but, as regards the mutual interests of the two countries—social, commercial, and otherwise—I feel at a loss to understand how it is that a service which conveys the mails to their destination eight and ten days sooner than any other service can be considered otherwise than as a necessity. Surely such a mail-service between the Mother-country and one of her colonies, the commercial relations of which are represented by annual exports and imports amounting to £11,500,000, is a fit subject for such a measure of support as my Government has instructed me to request at the hands of the Imperial Government.

I am, &c.,

W. B. PERCEVAL.

The Secretary to the General Post Office, St. Martin's-le-Grand.

Enclosure 2 in No. 39.

The AGENT-GENERAL to the UNDER-SECRETARY of STATE for the COLONIES.

13, Victoria Street, London, S.W., 8th November, 1892.

San Francisco Mail-service.

SIR,—

Referring to the interview I had with the Secretary of State for the Colonies and Mr. Sydney Buxton on the subject of the refusal of the General Post Office to renew its contributions for another year towards the maintenance of this service, when I explained the wishes of my Government on the subject, and was assured that the views I had expressed should be placed before the Lords Commissioners of the Treasury, I have the honour to forward copies of a letter I have received from the Secretary of the General Post Office and my reply thereto. It will be seen that the Postmaster-General has not thought it necessary to ask the Treasury to review their decision. I hope that, notwithstanding the action of the General Post Office, the Treasury will be pressed to give the matter their reconsideration.

I have, &c.,

W. B. PERCEVAL.

The Under-Secretary of State for the Colonies.