

pounds only, not at all commensurate with the benefits derived by your colony in general and business people in particular. This year the cost will be even less, as rate for letters reduced from twenty-five and fourpence to twelve shillings per pound. I therefore appeal to you to agree to increase your payment to five thousand pounds, and to prevent withdrawal of service, which, commercially, is of greater advantage to New South Wales than it is to this colony. Hope for your practical sympathy in the desire for continuance of service.

No. 13.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Sydney.
 (Telegram.) Wellington, 30th September, 1892.

FRISCO service and my telegram of 17th. Very anxious for early and favourable reply, as renewal should be fixed up next month. No prospect Imperial Government contributing except on Postal Union terms. You will not, I feel sure, be disposed to allow service to drop for a matter of two thousand pounds. Trust to hear that your Government agrees to contribute five thousand pounds.

No. 14.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,— Premier's Office, Wellington, 6th October, 1892.

Referring to my letter to you of the 31st August, on the subject of the renewal of the San Francisco mail-service, I have now the honour to enclose copy of correspondence in connection therewith which has taken place since the departure of the last month's San Francisco mail.

It was a disappointment to the Government to learn from your last telegram that your second application to the Post Office had been likewise unsuccessful, and I am now doubtful whether your appeal to the Colonial Office will result favourably, as, apparently, there is a fixed determination not to renew on present terms.

The Postmaster-General has approached the Sydney Post Office, and asked that it should make up to the contractors the loss of about £2,000 which will result from the decision of the Imperial Post Office to contribute only on Postal Union lines. No official reply has been received, but Press reports indicate that the New South Wales Government may entertain the application.

In any case, I am hopeful that the service will not be abandoned this year, as the probably large passenger-traffic which is sure to follow the opening of the Chicago Exhibition will in itself be an inducement to the contractors to continue, irrespective of the loss of subsidy.

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

I have, &c.,
 J. G. WARD,
 For the Premier.

Enclosure to No. 14.—(See Nos. 11, 12, and 13.)

No. 15.

The SECRETARY, General Post Office, to the RESIDENT AGENT for New Zealand, San Francisco.

Post Office and Telegraph Department, General Post Office, Wellington,
 6th October, 1892.

SIR,— In reference to my letter to you of the 31st August [see No. 68], and, in particular, to the last paragraph thereof, I have now the honour to inform you that the Agent-General has appealed against the decision of the Imperial Post Office to restrict its contribution in aid of the San Francisco service to the amounts prescribed by the Postal Union regulations. He has twice represented the matter to the Imperial Government, and now notifies the result as a distinct refusal to contribute on any other than the Postal Union basis.

In view of the loss to the contractors, the Hon. the Postmaster-General has communicated with the New South Wales Post Office asking for a contribution bringing its payment towards the cost of the service up to £5,000. This, if it be agreed to, as the cablegrams state it most likely will be, will make good the loss which otherwise would fall upon the contractors.

R. J. Creighton, Esq.,
 Resident Agent for New Zealand, San Francisco, California.

I have, &c.,
 W. GRAY, Secretary.

No. 16.

The SECRETARY, General Post Office, to the MANAGING DIRECTOR, Union Steam Ship Company.

Post Office and Telegraph Department, General Post Office, Wellington,
 10th October, 1892.

SIR,— I have the honour, by direction of the Hon. the Postmaster-General, to ask whether your company is prepared to renew the contract for the San Francisco mail-service for twelve months from the expiration of the current period on the terms of the reduction in the amount of the contribution from the Imperial Post Office, the other terms remaining as at present. The reduction, following the determination of the British Post Office not to contribute to the cost of the service