

recognise that our position far worse than yours. I would also remind you that when I agreed to reduction, which I tacitly did at Sydney Conference last year, there was no idea that letter postage would be reduced. Hope now made position clear, and that I shall receive early reply that you agree contribute five thousand.

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No. 22.

The Hon. the POSTMASTER-GENERAL, Sydney, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 19th October, 1892.

REGRET you are still silent as to amount of your direct subsidy; and I must be clear on this point before submitting matter to my Government and Parliament. I understand all colonies using service pay certain poundage rates, about equivalent to postages collected, thus far contributing on equal basis and terms. If, in addition to these payments, a direct subsidy is required, we must know the amount proposed to be paid by each. If New South Wales is to be the only colony asked to pay direct subsidy, regret I cannot see my way to agree.

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No. 23.

The Hon. the POSTMASTER-GENERAL, Wellington, to the Hon. the POSTMASTER-GENERAL, Sydney.

(Telegram.)

Wellington, 20th October, 1892.

FRISCO.—We make no direct subsidy payment, but on postage basis we pay about seven thousand, besides six thousand for American and Atlantic transit. On present rates I estimate that your colony will pay about two thousand; Victoria, fifteen hundred; Queensland, three thirty; South Australia, one hundred; Tasmania, one twenty. The colonies mainly interested are New South Wales and New Zealand, as they derive greatest benefits from service. Our payments largely in excess of yours, while your colony secures advantages of terminal port. I am only asking you to increase your payment to keep service running. As we are paying between thirteen and fourteen thousand, impossible we can pay more. I should regret exceedingly if service were abandoned, and I hope you are also averse to its being dropped.

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No. 24.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 21st October, 1892.

INSTRUCT whether Imperial Post Office shall continue despatch Frisco mail usual dates. Imperial Post Office giving apportionment further consideration.

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No. 25.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 22nd October, 1892.

DESPATCH Frisco mail usual dates.

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No. 26.

The SECRETARY, General Post Office, Wellington, to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 22nd October, 1892.

FRISCO: We estimate £4,254 American, and £1,769 Atlantic transit and our payments to company £7,170, inclusive of £1,050 for United States and other mails. Twenty thousand, roughly estimated: following figures give £19,090: From New Zealand, £7,170; from London, £4,700; from non-contracting colonies, including Fiji and other islands, but excluding New South Wales, £2,220; New South Wales, £5,000. Contractors receive American postages, but I am unable to say what they amount to. Union Company does not know either, as there has been a change, it is believed, since twopence-halfpenny rate adopted.

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No. 27.

The Hon. the POSTMASTER-GENERAL, Sydney, to the Hon. the POSTMASTER-GENERAL, Wellington.

(Telegram.)

Sydney, 26th October, 1892.

SUBJECT approval Parliament, which we will endeavour to obtain immediately, Government agrees to pay lump sum of four thousand for one year towards Frisco service, on understanding this is in full of all claims for use of service, including gratuities now paid for conveyance to Auckland, but excluding American transit-rates on Canadian mails, and American and Atlantic transit-rates on European mails. We feel this is utmost can submit to Parliament, although according to your figures you lose six thousand on Frisco service, assuming, as I do, that no portion of American transit will be shared by contractors, as it appears is now done. You will remember reduced postage affects us all. It has increased our loss on Suez service (which only costs you three hundred) from five hundred to thirteen thousand. We estimate that the four thousand now offered will leave loss of two thousand on Frisco.