Enclosure 1 in No. 31.

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

13, Victoria Street, London, S.W., 23rd August, 1892. SIR,-I am in receipt of your letter of the 15th instant, in which you inform me that the Post-master-General has had under consideration my letter of the 4th ultimo, in which I asked Her Majesty's Government for a continuance of the present, and, if possible, for increased, support of the San Francisco service after November next when the present arrangement expires, and in which you inform me that the Lords Commissioners of the Treasury and the Postmaster-General regret their inability to consent to any further prolongation of the exceptional arrangement connected with the service in question, and that after November next your department will not be prepared to pay at an exceptional rate for the conveyance of mails for New Zealand and Australia by the colonial packet service from San Francisco. I have received this communication with much regret, and am in communication with my Government on the subject of your decision, and will communicate further with you in a few days.

It has already been pointed out in previous correspondence that the San Francisco mail-service is the only direct and reliable one to the colony, and under the exceptional circumstances my Government consider that the least the Imperial Government ought to do is to share with New

Zealand equally in whatever the service may cost to maintain.

With regard to the concluding paragraph of your letter, in order to enable me to place my Government in possession of the estimated results of the proposed arrangement for adjusting the accounts connected with the San Francisco service on the basis of Postal Union Convention, I should be obliged if you would furnish me with a statement showing how the Postal Union rates compare with the support now contributed by 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. 31.—(See Nos. 3, 4, and 5.)

Enclosure 3 in No. 31.

The Secretary, General Post Office, London, to the Agent-General.

General Post Office, London, 31st August, 1892. Sir,-I beg leave to acknowledge the receipt of you letter of the 23rd instant, in reply to mine of the 15th, respecting the approaching discontinuance of the support accorded by Her Majesty's Government to the colonial mail-packet service between San Francisco and New Zealand.

With regard to your request for a comparison between the exceptional rates at present paid for this service and the Postal Union rates, I may state that under the present arrangements, by which this department pays 11s. per pound on outward letters and post-cards and nothing on newspapers, the payment made by the United Kingdom for sea-transit in the Pacific is estimated at £4,750 a year. The proportion of the Union rates payable for the Pacific section of the service would be 10fr. per kilogramme of letters and post-cards, and 50c. per kilogramme of other articles, and this payment would amount to £3,050 a year.

The estimated loss to the colony would therefore be a sum of £1,700 a year.

I am, &c.,

H. Buxton Forman,

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

For the Secretary.

Enclosure 4 in No. 31.

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

13, Victoria Street, London, S.W., 3rd September, 1892. Sir,— Adverting again to your letter of the 15th ultimo, in which you inform me that the Lords Commissioners of the Treasury and the Postmaster-General regret to find themselves unable to consent to the renewal of the present contribution to the Imperial Government towards the San Francisco mail-service of New Zealand, and my reply thereto of the 23rd ultimo, in which I informed you that I was in communication with my Government on the subject of your decision, I have now to inform you that my Government have instructed me by cable to ask that the decision thus arrived at by the Lords Commissioners of the Treasury and the Postmaster-General may be reconsidered.

Before dealing with the grounds upon which my Government ask that the question may be reopened, I desire to acknowledge the receipt of your letter of the 31st ultimo, giving me the result of the estimated loss to the colony by the adjustment of the contribution made by the Imperial Government on the basis of the Postal Union rates, and to thank you for the information it con-

tained.