

Government will consent to defray the cost of transit of the mails to and fro between London and San Francisco for another year, pending a final decision, and also what share of the postage will be allowed to New Zealand under the 2½d. rate.

Further, I am to inquire what sum the Imperial Government would consent to pay for a four-weekly mail-service direct to New Zealand, or, failing an arrangement for the San Francisco service, what sum for a fortnightly service Direct, subject to the stipulation of the English mails being delivered within forty-two or forty-five days.

The delivery of English correspondence destined for New Zealand but sent by the weekly packets *via* Australia is so uncertain without a subsidised intercolonial service, that the use of those packets should be restricted to specially-addressed correspondence.

I beg leave to add that the New Zealand Parliament will be prorogued within three weeks, and I feel sure that the Postmaster-General will see how very desirable it is that the question of agreeing to Mr. Goschen's proposal should be settled before the session closes. I trust therefore that I may urge very strongly to be placed in a position to cable to my Government an answer on the points I have now submitted.

I am, &c.,

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

F. D. BELL.

### No. 28.

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

Westminster Chambers, 13, Victoria Street, London, E.C.,

SIR,—

27th August, 1890.

On comparing the copy (which I received in a memorandum from the Hon. the Premier by last mail) with the original of the cablegram I received from you on the 21st June, respecting the ocean-mail services, a discrepancy in one word was discovered, whereby the sense of your message as it came to me is shown to have been the opposite of the sense as you sent it. What you had cabled was this: "But in event Imperial Government *deciding* making arrangements convey its mails to colony by direct steamers, what would it" &c.; whereas the message as it came to me said, "but in event Imperial Government *declining* make arrangements," &c.

I do not think, however, that any harm was done by the discrepancy, because the letter I sent in to the London Post Office (after my interview with Mr. Raikes) went on the assumption that you desired to ascertain what the Imperial Government would do in either alternative of (a) the colony making a contract for the mails both ways by Direct steamers, or (b) the London Office making a separate contract for carrying the English part of the mails; so that the letter is consistent with either reading of your message of the 21st June.

I take this opportunity of correcting the passage in my letter of 22nd instant relating to the words "forty-two forty-five days" in your telegram of the 19th. I ought to have seen that those words referred to the time of delivery for the Homeward and outward mails; and I should have written to the Post Office altering the reference to the matter in my letter to them of the 20th, but your telegram of yesterday (of the alternative offer you had received for a Direct service without a bonus or penalties) made it hardly worth while to do so.

I have, &c.,

The Hon. the Postmaster-General, Wellington.

F. D. BELL.

### No. 29.

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

Westminster Chambers, 13, Victoria Street, London, S.W.,

SIR,—

6th September, 1890.

I continue the report of what has taken place on this side in regard to the ocean mail-services since my letter of the 22nd August.

On the 26th August I received your telegram informing me of the Union Company having stated that Her Majesty's Government would continue to carry the San Francisco mails for another year, and of your having received an offer from the Shipping Company for a fortnightly Direct service at a subsidy of £30,000, or a four-weekly one at a subsidy of £15,000.

As I understood the Union Company to mean that the Imperial Government would carry the mails under the existing apportionment, I replied that they were mistaken, nothing having been then settled. Almost immediately afterwards, however, the Treasury came to a decision as to the offer they would make in regard to the San Francisco service, and I now enclose copy of the letter containing that offer, which I immediately telegraphed to you as follows:—

- (1.) Each country to retain its postages:
- (2.) London to pay for the conveyance of the outward mails to San Francisco, and in addition to credit New Zealand with a sea-rate of 12s. per pound on letters from this country towards the cost of the ocean-service:
- (3.) London to bear the cost of the Atlantic transit of the Homeward New Zealand mails at Postal Union sea-rates, and the colony to pay the charge of the American transit from San Francisco to New York:
- (4.) Newspaper- and book-postage not to be shared, but each country to keep its own postages and defray therefrom the cost of American transit on the mails it despatched.

In the course of much private communication with the Imperial Departments, I have gathered the impression that the same sea-rate of 12s. per pound might very likely be offered for the Direct service as well as for the San Francisco, that rate having long ago been settled by a departmental Committee as a normal one to be allowed by the Treasury for ocean-services; and, being desirous