

Enclosure 1 in No. 89.

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

SIR,—

General Post Office, London, 24th October, 1890.

I am directed by the Postmaster-General to inform you that the purport of your letters of the 29th of August last and subsequent dates has been communicated to the Lords Commissioners of Her Majesty's Treasury, from whom a reply has just been received.

Their Lordships note that the New Zealand House of Representatives has decided to renew for twelve months the existing services, *via* San Francisco and by Direct packet to and from Plymouth (the two services giving a fortnightly means of communication), and to reduce to 2½d. the postage on letters sent by those two routes, maintaining at 6d. the letter-postage *via* Suez.

It is, of course, inferred from your letter of the 10th September that the San Francisco service has been resumed on the basis of the new terms of apportionment fixed by the Treasury; and upon that assumption their Lordships consent to the payment of 12s. a pound for outward letters and half the postage on outward books and newspapers sent by the Direct route from Plymouth for one year. As, however, in the opinion of the Postmaster-General and the Lords of the Treasury, it is very objectionable that a different rate for Homeward correspondence sent by the Imperial contract line *via* Suez should be enforced, it has been decided that this continued support by Her Majesty's Government of the Direct sea-service must be absolutely conditional on the withdrawal of this restriction. It must also be clearly understood that this department remains perfectly free to send correspondence by all routes at a uniform rate, and that no attempt will be made in New Zealand to favour particular routes by taxing letters from this country on delivery when properly prepaid.

I am, &c.

Sir Francis D. Bell, K.C.M.G., C.B.

S. A. BLACKWOOD.

Enclosure 2 in No. 89.

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

SIR,—

13, Victoria Street, London, S.W., 27th October, 1890.

I have to acknowledge the receipt of your letter of the 24th instant, containing the decision of the Lords Commissioners of Her Majesty's Treasury in regard to the Imperial contribution to the Direct mail-service between this country and New Zealand.

I note that this decision is given on the assumption that the San Francisco service has been renewed upon the basis of the new terms of apportionment fixed by the Treasury, as defined in Mr. Rea's letter to me of 28th August. It was intended by my letters of 10th and 15th September to intimate that my Government had accepted those terms.

A condition is, however, attached for the Direct service arrangement, that New Zealand is to give up her differential rate for Homeward correspondence sent by the Imperial contract line *via* Suez, and that while the London Office is to remain perfectly free to send correspondence by all routes at a uniform rate, New Zealand is not to favour particular routes by taxing letters from this country (if properly prepaid) on delivery. With regard to this condition, I beg leave to represent that my Government find themselves unable to abolish the differential Suez rates at present, because the vote of the New Zealand Legislature, sanctioning the renewal of the San Francisco and Direct services, and the adoption of the "universal rate" of 2½d. by those routes, was accompanied by a proviso retaining the 6d. rate *via* Suez, which I had the honour to inform you of on the 15th September. But in response to the wish of Her Majesty's Government, my Government engage to recommend the Legislature, at its next session, to adopt the "universal rate" for all routes; and I do not permit myself to doubt that this engagement will be deemed satisfactory, seeing that the Treasury's decision was not given till after the prorogation, and there was, therefore, no opportunity of bringing the matter before the Legislature. I assume that it is not intended, by the condition, to make any change in the existing practice of only sending correspondence for New Zealand by the Federal packets when specially so marked. A question, however, arises out of the condition, which it was my intention to submit to the Postmaster-General later on, if the New Zealand differential rate had not been brought into the present arrangement for the Direct service. What provision does the London Office propose to make, when the universal rate comes into force, for sending on from Australia whatever correspondence destined for New Zealand they may forward by the Federal packets? Obviously this will require adjustment, because the rates hitherto charged to New Zealand, as a non-contracting colony, for the use of the Federal service could not be continued after the universal rate is established, and I am not supposing the London Office to mean that the sea transit from Australia of any correspondence they may send by Suez is to be borne by New Zealand.

I am, &c.,

The Secretary, General Post Office, E.C.

F. D. BELL.

Enclosure 3 in No. 89.

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

SIR,—

13, Victoria Street, London, S.W., 29th October, 1890.

With reference to the condition attached to the arrangement for continuing the Direct mail-service—namely, that letters from this country despatched by the Imperial contract line *via* Suez should not be taxed on delivery, I am now able to state that it was not intended to tax such letters, and whenever the universal rate comes into force they will be delivered on arrival in New Zealand without any surcharge. The resolution of the New Zealand House of Representatives for continuing a 6d. rate *via* Suez only applied to outward letters from the colony, specially addressed for the