Enclosure 5 in No. 37.

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

Referring to my interview of yesterday with Mr. Morley, the Postmaster-General, when I endeavoured to convey to him the regret entertained by the Government of the Colony of New Zealand at the decision of the Lords of the Treasury to refuse to pay the whole cost of conveying the English mails across the Pacific from San Francisco to New Zealand, thereby necessitating the payment by the colony of a sum estimated at £1,700 for the carriage of the English mails, and when, among other reasons put forward by me for the renewal of the service on present lines, I mentioned the desire of my Government that the Fr'isco service should be continued in view of the projected fortnightly Canadian Pacific service being established at no distant date to take its place, I have the honour, in accordance with my promise, to state, for the information of the Postmaster-General, that I was yesterday afternoon informed by Sir Charles Tupper, High Commissioner for Canada, that in his opinion there is every probability of the Canadian Pacific service being established at no distant date. Sir Charles informs me that during next week he is to have a consultation with the Finance Minister of Canada on this subject, when he hopes proposals will be discussed which will result in the service being established in a short time.

With regard to the point raised at my interview as to the efficiency and superiority of the Fr'isco service, I take this opportunity of submitting that in dealing with this point the opinion of the Government of the colony is worthy of as much consideration as the opinion of the Imperial authorities. The opinion of my Government is evidenced by the maintenance of the service not-withstanding a consequent loss, which amounted last year to £3,454, and which for the current year will exceed that sum. I have no hesitation in stating that should the Treasury adhere to its previous decision the feeling in the colony can only be one of resentment at the injustice of the Imperial Government forcing upon the colony more than a fair share of maintaining the only regular and efficient mail-service. The alternative of compelling the colony to abandon it and fall back on the Suez service would be to compel the colony to adopt a service which is extremely

defective, and only tolerated until a better one can be arranged.

I am, &c., W. B. Perceval.

The Secretary to the General Post Office.

Enclosure 6 in No. 37.

Mr. Bramston to Mr. Perceval.

DEAR MR. PERCEVAL,— Colonial Office, S.W., 18th October, 1892.

Lord Ripon will not be in town for another week, and I would suggest to you to write us officially a short statement showing the exact point in dispute. If received in time this could be sent to Lord Ripon in Yorkshire, and he would then consider whether it is necessary to trouble you

Am I right in supposing that the General Post Office are willing to pay the same rate via Fr'isco as they do via Suez, but that they think the colony should bear the extra cost of land-transit through the States, as, from their point of view, this route, though somewhat quicker, is a luxury and not a necessity.

What does the difference amount to in money? W. B. Perceval, Esq., 13, Victoria Street, S.W.

DEAR MR. BRAMSTON,-

Yours, &c., John Bramston.

Enclosure 7 in No. 37.

Mr. Perceval to Mr. Bramston.

Fr'isco Service.

13, Victoria Street, London, S.W., 19th October, 1892.

I do not think it will further my object to write to the Colonial Office officially, as an official representation from you would no doubt bring the response from the General Post Office, that they were in direct communication with me on the matter. My object in desiring to place Lord Ripon in possession of the facts was in order that, if he thought fit, he might see Mr. Morley and urge him to induce the Treasury to yield. I deem it my duty to inform Lord Ripon of any facts or circumstances which, in my opinion, tend to give rise to a feeling of resentment on the part of the colony I represent against the treatment of the Imperial Government. Put shortly, the grievance is this: The Fr'isco mail-service is very superior to the other service (the Suez route), there being a difference in time of from seven to ten days. I may state, in passing, that the General Post Office failed to join with the colony in the proposal to subsidise a connecting mail-service between Australia and New Zealand, therefore the mails have to go by the ordinary steamers, which are not timed to connect. The result is that no dependence can be placed on the regular delivery of the Suez mail, and as a mail-service it is most unsatisfactory. The New Zealand Government are, therefore, most anxious to have the Fr'isco service continued, and merely ask the General Post Office to share the expense equally with the colony. The present service is only a monthly service; but there is every probability of a fortnightly service viá Vancouver being established at an early date, and this reason weighs heavily with the New Zealand Government in their desire to keep open present connection across the Pacific until the Vancouver service is ready to take the place of the Fr'isco service. A mail service viá Canada, with a Vancouver Pacific connection, is regarded by the colony as

of the greatest importance, not only from a colonial but from an Imperial point of view; and the abandonment of the Fr'isco service, and the consequent new mail arrangements which would ensue,