

its postal revenue, and that the greater part of such loss is in respect to the letters sent by the San Francisco mails. Moreover, the acceptance of that proposal has resulted in a demand for the reduction of its own inland postage from 2d. to 1d., involving an estimated loss of £40,000 a year.

I will also point out that the Imperial Government avoids a considerable expense, first, by the discontinuance of the contract mail-service by the Direct steamers, and, secondly, by the non-establishment of any contract mail-service between New Zealand and Australia, which latter is essential in order to make the Federal mail-service an alternative one of corresponding value to New Zealand to that *via* San Francisco.

I have therefore, on behalf of my Government, to propose, for the consideration of the Imperial Government, that the present terms of apportionment be renewed, with one exception—namely, that the Imperial Government will provide free carriage both ways between New York and London, and that such renewal shall continue for one or two years, whichever period may be preferred by the Imperial Government.

I have further to state that, as the New Zealand Parliament is now in session, it is important that as speedy a reply be given to this proposal as possible, in order that the necessary appropriations may be voted before the session terminates.

The Secretary, General Post Office, E.C.

I am, &c.,

W. B. PERCEVAL.

No. 3.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 24th August, 1892.

WHAT reply, Fr'isco renewal?

No. 4.

The AGENT-GENERAL to the Hon. the PREMIER.

(Telegram.)

London, 25th August, 1892.

IMPERIAL Government write fifteenth declining renew Fr'isco apportionment except on strict Postal Union basis. Am protesting. Instruct whether you wish me appeal new Postmaster-General. Telegraph particular instruction or proposal.

No. 5.

The Hon. the PREMIER to the AGENT-GENERAL.

(Telegram.)

Wellington, 30th August, 1892.

Fr'isco. Appeal Postmaster-General renew present terms. Quickest route. Imperial Government already saved largely Fr'isco, Direct, services. Exceptional position colony entitles special consideration. Confident appeal succeed.

No. 6.

The Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 31st August, 1892.

I have the honour to acknowledge the receipt of your communication of the 6th ultimo, covering copy of the letter you addressed to the Imperial Post Office on the 4th idem, seeking a renewal of the present contribution towards the cost of the San Francisco mail-service for one or two years.

In your admirable letter to the Post Office you put the case for the colony very forcibly; and I was indeed disappointed to receive your cablegram of the 25th instant, announcing that the Imperial Government declined to renew the apportionment except on a strict Postal Union basis, to which I cabled you on the 30th instant in reply, approving of your appeal to the new Postmaster-General.

You made one slip, however, in your letter to the London Post Office in the statement that the United Kingdom's contribution was now reduced to 11s. per pound on outward letters. As a matter of fact, the rate agreed to be paid by the Imperial Government was "up to 12s." per pound for letters; and at this rate the colony has been and is now being credited. The Post Office may have pointed out the error, which, however, does not materially affect the point you were discussing.

There can be no question that the colony, in its exceptional position in respect of ocean mail-communication, as well as by the consistent efforts which it has made for many years past to maintain the Pacific service in spite of difficulty and discouragement, has a claim on the Imperial authorities—indeed, they have admitted this. The San Francisco service itself presents a strong argument in favour of its maintenance in the rapid exchange of correspondence between the Mother-country and the colony. It is not only, in offering appreciably the quickest route, of the most advantage to the mercantile communities, but it is also the most efficient from a postal point of view. There is no uncertainty at this end in the time-table, and no harassing break in its course. The service *via* Italy, with which the Imperial authorities desire to supersede the San Francisco service, cannot be regarded as so well suited to the needs of this colony: the transit of mails thereby is neither so rapid nor is the delivery so free from irregularity. And this irregularity, and consequent unreliableness, must characterize the Brindisi-Naples route so long as the Imperial Government does not think it necessary to maintain or subsidise a connecting service between Australia and New Zealand.