

year or two years. Will you now fix up coastal service? There will be no renewal Direct service, and Postmaster-General proposes to fall back on the Federal service to secure, with Frisco, fortnightly mails. Proposed that Bluff and Melbourne be the contract ports, and presume you would be willing to arrange for regular connection once every four weeks for nominal sum. Leave and arrive Melbourne within forty-eight hours of arrival and departure of mails. Also state cost coastal service. You receive and deliver mails at Lyttelton.

No. 39.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 24th October, 1891.

POSTMASTER-GENERAL agreed reduce charge for letters by Frisco steamers to twelve shillings per pound, commencing with mail of 30th proximo from Sydney, the first under renewed contract. Every four weeks thereafter. Please inform other colonies. Our direct mail-service probably not renewed, in which case New Zealand would make use of one of the weekly despatches by Federal steamers, which, alternating with San Francisco, would give fortnightly service. Postmaster-General trusts that colonies will be disposed to allow New Zealand to use the service for the bare postages, seeing that our additional contributions will be so much profit to them. What we receive from non-contracting colonies in respect of Frisco service goes to the contractors. Will be glad if you will have matter considered, and reply early next week.

No. 40.

The Hon. GEORGE McLEAN to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Dunedin, 29th October, 1891.

WISH you would make out time-table for mails as you would require steamers to leave. We could then better calculate cost disturbance of our running. We find on trying work it out ourselves fortnightly services alternating with Frisco works out badly at other end.

No. 41.

The Hon. the PREMIER to the AGENT-GENERAL, London.

(Telegram.)

Wellington, 30th October, 1891.

OCEAN Services.—Messages 22nd, 24th received (*vide* Nos. 37 and 106). Accept twelve shillings Frisco one year. Unexpected required defray Atlantic, especially no reduction American transit. Direct not renew. Propose replace by Federal packet, secure, with Frisco fortnightly mail. Only specially-addressed letters other services. Intercolonial service necessary. What Imperial Post Office allow. Federal service saving Imperial Post Office. Try better terms Frisco.

No. 42.

The Hon. the PREMIER to the AGENT-GENERAL, London.

SIR,—

Premier's Office, Wellington, 2nd November, 1891.

I have the honour to acknowledge the receipt of Sir Dillon Bell's letter of the 2nd September, intimating that no decision had been come to by the Treasury on the question of renewing the ocean-services under the existing terms of Imperial contribution, and that further delay was anticipated owing to the death of Mr. Raikes. I have already posted by the "Kaikoura" my acknowledgment of your telegram of the 24th ultimo, notifying that the Imperial Post Office had consented to forego the dating-back of the San Francisco apportionment.

The Agent-General for New Zealand,
Westminster Chambers, 13, Victoria Street, London, S.W.

I have, &c.,
J. BALLANCE.

No. 43.

Mr. GRAY to Mr. CREIGHTON, Resident-Agent for New Zealand, San Francisco.

SIR,—

General Post Office, Wellington, 3rd November, 1891.

I have the honour to acknowledge the receipt of your letter of the 16th September, with enclosures of copy of correspondence, time-table, and newspaper cuttings, and to thank you therefor.

In reply, I have to inform you, on the subject of the renewal of the San Francisco service, and the refusal of the United States Post Office to reduce the territorial transit-charge, that the refusal is the more to be regretted from the fact of one of the reasons put forward being founded on a misapprehension. The representatives of the colonies at the Vienna Congress did not make it a condition to the entrance of the colonies into the Union that the territorial transit rates should not be lowered. Their doing so would have been a violation of the resolution agreed to at the Sydney Postal Conference, which was as follows: "That the representatives of Australasia to the Postal Conference advocate the admission of Australasia into the Postal Union on the condition that Australasia receives adequate representation, and that the maritime-transit rates be not lowered without the consent of the countries maintaining the sea-service." But, in order to have no doubt upon the point, I telegraphed the Secretary of the General Post Office, Sydney, and the corre-