

Enclosure 1 in No. 66.

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

SIR,—

General Post Office, E.C., 17th October, 1891.

With reference to Sir Francis Bell's letter of the 7th of August last, and to your own communication on the same subject, dated the 8th instant, I am directed by the Postmaster-General to inform you that he has now received the decision of the Treasury as to the extent to which Her Majesty's Government are prepared to continue their support towards the independent mail-services maintained by the Government of New Zealand.

It has been a primary question for consideration whether New Zealand, having entered the Postal Union, the payment to the colony for any mails from this country which may be carried by colonial packet services should not be regulated, as from the first of this month, strictly according to Union principles; and on this point the Treasury have expressed their opinion that such would be the natural course of procedure. They are unwilling, however, to press upon the colony at once the adoption, in their entirety, of those principles for the apportionment of the expense of the New Zealand mail-services.

But they consider the existing apportionment is still too unfavourable to this country to justify them in agreeing to a further prolongation of the arrangement without some modification of its terms; and they are not disposed to bind themselves to the San Francisco route for so long a term as three years, in view of the possibility of other and more advantageous routes being available in the near future.

Under these circumstances, their Lordships propose that the existing apportionment should be modified in the direction of Union principles so far as regards the Atlantic service, and that the colony (instead of the Imperial Treasury) should pay for the conveyance of its Homeward mails upon that part of the line, this country continuing to pay for the Pacific service (outward), at the rates paid for it to the contractors by the colony, not exceeding 12s. per pound for letters; this arrangement to be limited to one year from the first of next month.

As to the Direct service between Plymouth and New Zealand, for which it appears a partial offer only has been received by the New Zealand Government, the Treasury are of opinion that unless the service can be made complete in both directions its continuance is not desirable.

The Postmaster-General requests that you will be good enough to communicate this decision to the New Zealand Government.

Walter Kennaway, Esq., C.M.G.

I am, &c.,

S. A. BLACKWOOD.

Enclosure 2 in No. 66.

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

SIR,—

13, Victoria Street, 19th October, 1891.

I have the honour to acknowledge the receipt of your letter of the 17th instant, communicating to me for transmission to my Government the decision of the Imperial Treasury as to the extent to which Her Majesty's Government are prepared to continue to support the mail-service to New Zealand *via* San Francisco, and giving the opinion of the Treasury that unless the service by the Direct steamers can be made complete its continuance is not desirable.

I beg leave to request you to convey to the Postmaster-General my thanks for the information which he has thus communicated to me, and which I have transmitted by cablegram to my Government.

I have, &c.,

The Secretary, General Post Office.

WALTER KENNAWAY.

Enclosure 3 in No. 66.

GENERAL POST OFFICE.

AGREEMENT between the General Post Office of the United Kingdom of Great Britain and Ireland and the General Post Office of the United States of America, signed at Washington the 6th October, 1876.

Special arrangement between the General Post Offices of the United Kingdom and the United States, fixing rates of territorial transit charges on British closed mails conveyed across the American continent, between Boston or New York and San Francisco:—

Whereas Article X. of the treaty concerning the formation of a General Postal Union, signed at Berne, 9th October, 1874, provides that the territorial transit charges on the mails conveyed across the United States of America by the railways between New York and San Francisco shall continue to form the object of special arrangements between the Post Offices concerned; and whereas the territorial transit rates for the conveyance of correspondence in closed mails through the United States, fixed by the eleventh article of the Postal Convention of 7/24, November, 1868, between the General Post Office of the United Kingdom of Great Britain and Ireland and the General Post Office of the United States of America, were, by a notice of one year, terminated on the 24th August, 1876; the undersigned, being thereunto duly authorised by their respective Governments, and acting for and in behalf of the General Post Offices of the United Kingdom and of the United States respectively, do hereby agree that the territorial transit charges to be paid by the British Post Office to the United States Post Office on the British closed mails conveyed on and after the 24th August, 1876, across the territory of the United States, between Boston or New York and San Francisco, shall be 6 francs per kilogramme of letters, and 2 francs per kilogramme of newspapers, other printed matter, and patterns and samples of merchandise.