

The more definite proposals which my Government have now directed me to bring before Her Majesty's Government, differing materially as they do from the existing arrangements under which the Imperial Treasury considered the subject, with the result given in your letter of the 17th ultimo, encourage the belief that the Treasury will consent to reconsider their decision with the view of making the apportionment, as regards the San Francisco service, less unfavourable to New Zealand, and, in the opinion of my Government, justifies them in asking that under the circumstances the modifications proposed be not pressed, but that the existing apportionment be allowed to stand.

I beg leave to add, as affecting the question of apportionment, that, in making provision for the continuance of the San Francisco service, it is felt by the Postal authorities in the colony that the policy of renewing it from year to year is unsatisfactory, inasmuch as the uncertainty under which the service has thus been maintained has, it is believed, prevented a better class of steamers being placed on the line, and it is anticipated that any renewal, if made for a fixed term of years, would no doubt ultimately result in an acceleration in the delivery of the mails; and from this point of view I venture to represent that the colony is placed at a disadvantage by the decision of Her Majesty's Treasury to limit the operation of the new apportionment to one year. That the service is a valuable one to this country is shown by the fact that within the present year the London mails have reached the colony in thirty-three days, showing a material acceleration of speed, and one that compares favourably with any other service available for the conveyance of Her Majesty's mails to New Zealand.

I may be permitted also to point out that, in accepting, under the proposals of Her Majesty's Government, the twopence-halfpenny postage rate, the colony has suffered, and will continue to suffer, a serious diminution of its receipts from postage, and that the greater part of such loss will be in respect of the San Francisco service. It is true that the Mother-country has also to bear a similar loss; but such reduction, it may be remembered, was made at the instance and in the furtherance of the policy of Her Majesty's Government; and, moreover, it has had, as regards New Zealand, the exceptional result of that colony having to reduce its own inland postage from 2d. to 1d., involving an estimated annual loss of £40,000.

Taking, therefore, into consideration that the proposal of the Treasury that New Zealand should defray the cost of the Atlantic transit was unexpected, and therefore unprovided for by my Government; that such additional expense is not accompanied by any reduction of the cost of the territorial transit through America; that the Imperial Post Office will effect a considerable saving by the substitution of the Federal for the Direct service; and giving due weight to the other representations which I have ventured to make in this letter, I desire to express the hope, on behalf of my Government, that the Postmaster-General will see fit to submit the matter again to Her Majesty's Treasury, with the view of modifying the proposals as contained in your letter of the 17th ultimo, in the direction of renewing unaltered the apportionment which has been in force for the last twelve months.

I have, &c.,

The Secretary, General Post Office, St. Martin's-le-Grand.

WALTER KENAWAY.

No. 68.

The Hon. W. P. REEVES to the AGENT-GENERAL, London.

SIR,—

Premier's Office, Wellington, 22nd December, 1891.

I have the honour to acknowledge the receipt of Mr. Kennaway's letter of the 30th October, enclosing copies of cablegrams and correspondence relating to the mail-services, in continuation of those sent with his letter of the 16th idem.

It is, of course, needless to make any effort now to have the Atlantic transit charges reduced, or New Zealand relieved of them, and almost hopeless to expect any reduction in the United States territorial charges; but Mr. Creighton is at present engaged in a final endeavour to influence the Washington Post Office in favour of a reduction of the latter.

I have, &c.,

W. P. REEVES,

For the Premier.

The Agent-General for New Zealand, London.

No. 69.

The SUPERINTENDENT of FOREIGN MAILS, Washington, to the Hon. the POSTMASTER-GENERAL Wellington.

SIR,—

Post Office Department, Office of Foreign Mails, Washington, D.C.,
11th November, 1891.

I have the honour, by direction of the Postmaster-General, to acknowledge the receipt of your letter of the 8th ultimo, enclosing a copy of the resolutions passed by the House of Representatives of New Zealand in relation to ocean mail-service, including the renewal of the San Francisco service for three years; copies of your telegram of the 16th of September last to the Postmaster-General, and his telegraphic reply of the next day; and expressing regret that the United States transcontinental transit rates on the closed mails passing between Great Britain and the colonies cannot be reduced.

In reply, I am directed to call your attention to this department's letter of the 17th September last (which could not have been received when your letter under reply was written), confirming the Postmaster-General's telegram of the same date, and setting forth fully the reasons why the transit rates in question cannot be reduced at this time.