

follows the recommendation of an interdepartmental committee which sat in 1885 to consider this and other cognate questions, and gives the colony a credit of 12s. per pound upon the outward letters, or more than the whole collection at the reduced rate of postage, which feature alone shows that the very considerable loss of Imperial revenue caused by the universal twopence-halfpenny postage was not taken into consideration in preparing the apportionment scheme with New Zealand.

In conclusion, I may perhaps be allowed to observe that you are under a misapprehension in supposing that the question of the arrears due from New Zealand is merely one between the two Post Offices. The amount due to the United Kingdom could only be remitted by the express authority of the Treasury.

Sir F. D. Bell, K.C.M.G., C.B.

I am, &c.,

ALGERNON TURNOR.

No. 104.

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

SIR,—

13, Victoria Street, London, S.W., 12th May, 1891.

In continuation of my letter of the 30th April, I enclose copy of a further letter addressed to the General Post Office, in reply to theirs which I sent you last mail.

It will be seen that my letter repeats what had been said in the previous letter of the 14th April, the object being to confirm the argument and to keep the correspondence afloat for the present until the Government have decided what to do after the present temporary contract for the San Francisco service.

I have only seen newspaper reports as yet of what passed at the Sydney Postal Conference. So far as can be gathered from these necessarily imperfect reports, the Hon. Mr. Ward seems to have favoured the plan of a Vancouver service. There is still, however, no present prospect of any Vancouver service being established with a condition that the ocean steamers should call at New Zealand.

I have, &c.,

The Hon. the Premier, Wellington.

F. D. BELL.

Enclosure in No. 104.

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

SIR,—

13, Victoria Street, London, S.W., 11th May, 1891.

I have to acknowledge the receipt of Mr. Turnor's letter of the 29th April, in reply to my remonstrance against dating back to November, 1889, the apportionment for the San Francisco mail-service made last August.

If I rightly understand the position taken by your department, the claim to date back that apportionment rests mainly on these two points: First, that the question of apportionment ought not to be associated with the question of the twopence-halfpenny rate; and, secondly, that the remonstrance I made in 1889 against the stipulation attached by the Treasury to the arrangement then made had been rejected.

As regards the twopence-halfpenny rate, your department objects to its being mixed up with the San Francisco apportionment, because, so far as the Treasury and Post Office are concerned, the questions are quite distinct. But it is beyond doubt that, so far as New Zealand is concerned, they were invariably treated as one. This is manifest from every communication of mine to your department last summer.

Towards the end of June, being then at Paris attending the Telegraph Congress, I asked the Postmaster-General to be good enough to give me an interview, and I came to London expressly for that purpose. My letter of the 28th June (*vide* No. 9, F.-6A, 1890) recited what passed at the interview. I represented to Mr. Raikes that my Government were about to bring Mr. Goschen's proposal before the New Zealand Parliament; but that, before anything could be decided, they must be in a position to tell the Legislature on what conditions the mail-service between this country and the colony was to be carried on. I showed that, as the financial conditions under Mr. Goschen's proposal were entirely novel, the view which New Zealand would take of the twopence-halfpenny rate must depend upon what Her Majesty's Government would decide about the ocean services; and accordingly I asked what contribution the Imperial Government would make for the San Francisco service if New Zealand decided to accept the proposal for the twopence-halfpenny rate.

The question of Imperial contribution not having been decided up to the 20th August, I again represented that my Government intended to ask the Parliament to agree to Mr. Goschen's proposal; but that the question of the ocean mail-services had reached a stage when the apportionment must be decided if the question of the twopence-halfpenny rate was to be settled before the session closed; and I begged once more to be placed in a position to cable an answer to my Government.

On the 28th August the San Francisco apportionment was arranged, and I was requested to communicate the Treasury offer to my Government. I immediately replied that I must also know about the Direct service, in order to let the question of the twopence-halfpenny rate be settled before the session closed. Again, on the 10th September, I pointed out that it was impossible for the matter to be delayed any longer if the question of the twopence-halfpenny rate was to be decided before the New Zealand prorogation, which was then imminent, and I described the resolutions to be brought down in the House of Representatives the next day. These resolutions expressly treated the two questions as one, and could only have been passed in that shape.

Seeing, then, how invariably I had shown that the two questions of assenting to the twopence-halfpenny rate and of the San Francisco apportionment were treated by New Zealand as being one, I cannot but think it will be admitted that some intimation should have been given to me if the Imperial authorities meant them to be separate.