

No. 154.

Mr. GRAY to the SECRETARY, New Zealand Shipping Company, Christchurch.

(Telegram.)

Wellington, 24th October, 1891.

LONDON Post Office considers the offer of your company for incomplete service not desirable (*vide* No. 35). Other arrangements now being made for service alternating with Frisco.

No. 155.

Mr. GIBBS to the SECRETARY, General Post Office, Wellington.

DEAR SIR,—

The New Zealand Shipping Company, Christchurch, 28th October, 1891.

I beg to thank you for your telegram of the 24th instant, intimating that London Post Office considers the offer this company for an incomplete service is not desirable, and that other arrangements are now being made for service alternating with Frisco. We have cabled our London office to the above effect.

I am, &c.,

W. Gray, Esq., Wellington.

ISAAC GIBBS, Secretary.

No. 156.

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

SIR,—

13, Victoria Street, London, S.W., 9th October, 1891.

I beg to acknowledge the receipt of your cablegram (copy herewith) of the 7th instant (*vide* No. 22), relating to the ocean mail-services.

On its receipt I went to the Imperial General Post Office and Treasury, and communicated the facts stated in the cablegram, and urged the importance of a speedy decision with regard to the apportionment. I was informed that the matter was ready in complete form for final consideration, and would be forthwith placed before the Secretary to the Treasury; and on the following day I addressed a letter to the General Post Office, copy of which I herewith enclose.

With regard to the Direct mail-service, I understood your cablegram to instruct me to ascertain the views of the General Post Office with respect to the proposal of the Shipping Company to contract for the conveyance of the outward mails only, and I accordingly made the necessary inquiry in my letter.

Subsequently the manager of the New Zealand Shipping Company called and informed me that the company had received a telegram from the colony asking him to see me with respect to the Direct mail-service; and on referring to the statement in the cablegram to the effect that the Government had received an offer from his company to contract for the outward service only, he stated that, to his knowledge, no properly-authorised offer of the kind had been made.

This morning I received a letter from the company (copy of which I herewith enclose) offering either to undertake a monthly service both ways, or to contract for the outward service only; and in my letter acknowledging its receipt I asked the manager to furnish me with particulars of the terms under which the outward service only would be undertaken.

I conceive that the offers now made by the company are those arrived at after the London Board has been in consultation with Mr. L. Harper (to whom reference is made in your letter of the 3rd August last), and that, therefore, it is incumbent on me to communicate them to the Government for decision.

As indicated by Sir F. D. Bell in his letter of the 24th July last (*vide* No. 4), it is very doubtful whether terms will be obtained from the Imperial Government as favourable as those which have existed in previous years. It is evident that since the arrangements were made last year the General Post Office and the Treasury have examined very closely into the matter, and are convinced that the time has come when the United Kingdom ought to be placed in a more favourable position in respect to the actual cost of the services; and in taking up this position it is borne well in mind that, in case of the discontinuance of the San Francisco and Direct mail-services, the mail-service by Brindisi and Australia can be made available for the transmission of the New Zealand mails at a considerable diminution of cost to the Imperial Treasury.

Moreover, as I gathered in my interview with Mr. Kempe, of the Treasury, on the 7th instant, the fact that New Zealand has entered into the Postal Union will probably be regarded as having an important bearing in the consideration of the matter by the Treasury.

I have, &c.,

The Hon. the Premier, Wellington.

WALTER KENNAWAY.

Enclosure 1 in No. 156.

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

SIR,—

13, Victoria Street, S.W., 8th October, 1891.

Referring to the late Agent-General's letter of the 7th August last (*vide* No. 10), in which he directed our attention to the New Zealand mail-services, and, in view of the approaching termination of the arrangements made last year, asking whether, in the event of New Zealand deciding to renew both or either of the San Francisco and Direct services for three years, Her Majesty's Government would continue for that period the same apportionments as were adopted last year, or, if those apportionments could not be agreed to again, then what others would be more acceptable, I have the honour to inform you that, by cablegram received yesterday, my Government advise me that the contractors for the San Francisco service are prepared to renew their contract for the four-