

Enclosure 2 in No. 1.

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

SIR,—

General Post Office, London, 17th August, 1897.

Your letter of the 6th April last, on the subject of the New Zealand mail-service, has been carefully considered by the Postmaster-General, who directs me to point out that, as regards the line *via* San Francisco, the Treasury have repeatedly declined to give any contribution towards the cost of the service to the New Zealand Government, except the sea-postage payable on the mails from this country under the regulations of the Postal Union. On this point I am to refer you to the letter from this office dated the 13th of April, 1893 [*see* Enclosure in No. 45, F.-6, 1893], and to add that the Duke of Norfolk is not prepared to recommend their Lordships to alter the decision therein communicated.

As regards the proposed Vancouver service, I am to inform you that, after careful examination of the proposals for the establishment of a mail-service with Australasia, *via* Canada, made at the Ottawa Conference, the Imperial Government has consented to contribute towards the cost of the scheme the sum of £51,500 a year. This sum is to be applied specifically to the establishment of a fast mail-service between this country and Canada; but one of the conditions on which it was promised was that it should be regarded as in aid of the accomplishment of the Pacific, no less than of the Atlantic, section of the Ottawa scheme. It was at the same time stated that no additional subsidy was to be looked for from the Home Government towards the improvement of the service on the Pacific, the arrangement of which is to be left to the Governments of Canada and the colonies of Australasia.

While the form which the Imperial contribution to the Canadian-Australasian mail-service has taken may not be precisely that contemplated by the New Zealand Government, I am to point out that, by the establishment of a fast service direct from a Canadian to a British port, the colony will be relieved from the payment to the United States of transit postage on such of its mails for this country as are sent by that service instead of *via* New York.

The Agent-General for New Zealand.

I am, &c.,

H. BUXTON FORMAN.

No. 2.

The Right Hon. the PREMIER to the AGENT-GENERAL.

SIR,—

Premier's Office, Wellington, 6th October, 1897.

I have the honour to acknowledge the receipt of your letter of the 19th August last, enclosing copy of the one you addressed to the Secretary of the Imperial Post Office on the 6th April, and of his reply thereto of the 17th August, on the subject of a subsidy for the Vancouver mail-service. I note the intentions of the British Post Office towards the two Pacific mail-services. The correspondence will be laid on the table of the House of Representatives, to allow of its perusal by members before the question of our ocean mail-services comes on for discussion.

I have, &c.,

R. J. SEDDON.

The Hon. W. P. Reeves,
Agent-General for New Zealand.

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