

No. 5.

COPY OF A DESPATCH FROM GOVERNOR SIR GEORGE GREY TO HIS GRACE THE DUKE OF
NEWCASTLE.

Government House,
Auckland, 8th January, 1862.

MY LORD DUKE,—

I have the honor to acknowledge the receipt of your Grace's despatch, No. 81, of the 12th August, 1861, desiring me to lay before my Responsible Advisers a copy of a letter written by direction of the Lords Commissioners of Her Majesty's Treasury respecting the appropriation of the postage on letters conveyed between New Zealand and the Colonies.

2. In reply, I beg to enclose, for your Grace's information, the copy of a memorandum of the Postmaster-General of the Colony, in relation to this subject, which my Responsible Advisers inform me represents the views of the Colonial Government on the question.

I have, &c.,

G. GREY.

His Grace the Duke of Newcastle,
&c., &c., &c.

Enclosure in No. 5.

MEMORANDUM BY MR. CROSBIE WARD.

General Post Office, Auckland,
14th November, 1861.

A series of despatches from the Imperial Government, now under consideration, make demands upon this Colony in respect of the Steam Postal Service between the United Kingdom, Australia, and New Zealand, of a threefold character.

1. It is demanded that each Colony shall for the future contribute towards the joint moiety of the subsidy payable for the main service in a ratio compounded of the proportions of its correspondence and its mileage distance from Ceylon.—Treasury Minute, 25th April, 1861.

2. The Colonial Post Office is required to account to the Imperial Government for 4d. out of every 6d. received per half-ounce, on letters posted in New Zealand for the Australian Colonies.—Despatch from the Duke of Newcastle, 12th August, 1861.

3. A claim is made upon the Colony for the payment of its proportionate contribution to the cost of the main line, prior to the establishment of a branch line from Australia to New Zealand.—Circular Despatch from Duke of Newcastle, 20th July, 1861.

These various demands are separately of importance; and, when taken together, require very careful consideration, not only as seriously affecting the finances of the Colony, but as ignoring certain principles which have hitherto been regarded as essential parts of the general scheme of posts between the United Kingdom and the Australian Colonies.

In the Minute of the Imperial Treasury, dated 27th November, 1855, is recorded in a precise form the plan proposed by the Home Government for establishing postal communication by steam with Australia and New Zealand.

The terms so proposed were laid before the House of Representatives of New Zealand at the commencement of the next ensuing session of the General Assembly; and there, on the 28th of April, 1856, received the duly authorized legislative acquiescence which the Imperial Treasury demanded,—since which time no desire has been expressed on the part of this Colony to annul, or amend, or add to the scheme.

The Treasury Minute referred to says—

“The plan, therefore, which my Lords propose may be thus shortly summed up:—

“1. That they shall instruct the Admiralty to obtain tenders, by open competition, for a monthly postal service between this country and Australia; the vessels outward and homeward touching at King George's Sound, Melbourne, and Sydney, carrying the mails for the six Colonies of New South Wales, South Australia, Western Australia, Van Dieman's Land, and New Zealand.

“2. That branch services shall be established, by open competition, from Melbourne, as the central point, with Port Adelaide, Van Dieman's Land, and New Zealand.

“3. That all letters and newspapers shall be prepaid, and that each post office shall retain its own receipts.

“4. That the entire cost of the services described shall be divided equally between the Home Government and the Colonies collectively.

“5. That each of the Colonies shall contribute to the moiety to be paid by them collectively in proportion to the number of letters despatched by each, to be ascertained every two years.”

The mere recital of the plan thus summarised, proposed by the Home Government to and accepted by the Colonies, and carried wholly or partially into effect without any reconsideration or deliberate amendment, alone constitutes a sufficient reply to the various demands now made by the Home Government upon this Colony. But, as special grounds have been advanced in support of the first and second claims, it will be desirable to enter upon their consideration somewhat at length.

The alteration proposed in the scheme of contribution of the Colonies to the moiety of the subsidy payable by them collectively is antagonistic to the 4th and 5th clauses of the summarized plan