

above quoted. Instead of the cost of the branch lines being added to that of the main line, and the Colonies as a whole contributing a moiety of the amount so made up, it is now proposed that each Colony not visited by the steamer on the main line shall pay one-half the cost of its own branch line, in addition to its contribution to the trunk service. Further, instead of the Colonies contributing to the moiety to be paid by them collectively in proportion to the number of letters despatched by each, it is now proposed that each Colony shall contribute, in the ratio of its letters, towards the moiety of the cost of that portion only of the main line over which its own correspondence is carried to and from the United Kingdom.

It is impossible to agree with the opinion expressed by their Lordships in their Minute of the 25th of April last, now under consideration, that the scheme proposed is "calculated to do justice to all parties;" or that the proportions payable under it will be "determined with reference to the precise amount of benefit which each Colony derives from the main line so subsidized;" or that the proposal generally is "in accordance with the spirit of their Lordship's Minute of 27th November, 1855."

The principle of the Treasury minute of 1855 is unmisakeable. The Australian Colonies and New Zealand were considered as one group, all equally interested in constructing and maintaining regular postal communication with the mother country, and with each other. The benefit to be derived by each was the carriage of its correspondence; the proportion of that correspondence to the whole was declared to be the proportion of the benefit derived by it from the whole service; and in that proportion it was to contribute towards the total expense.

The principle of the arrangement was identical with that of the English postal system, and it needed no other recommendation to be generally accepted. It would be as well "calculated to do justice to all parties" that a letter from Edinburgh to London should be charged double the rate from Derby, as that Queensland should pay twice as much for each of its letters as is paid by Western Australia.

It is submitted, therefore, that the proposal now made is clearly not in accordance with either the spirit or the letter of the arrangement of 1855.

Though the Treasury Minute under consideration not improperly observes that danger to the service will result if each of the numerous and distant Colonies concerned be consulted before any final measure be adopted, and urges the expediency of the controlling authority being altogether assumed by the Imperial Government, which contributes towards the subsidy as much as all the Colonies together, this doctrine cannot be held to apply to cases where the interests of only a single Colony are at stake, or where a departure is proposed from an arrangement deliberately assented to, which departure will clearly be to the injury of one or two Colonies of the group, and will give a corresponding additional advantage to others, without affecting the general working of the service.

That the proposal to divide the cost of the branch services between the Colony concerned and the Home Government is inconsistent with the terms of the arrangement of 1855 appears manifest on reference to those terms. In fact, the establishment of the branch services, as part of the general scheme, and to be supported by general contributions, was a necessary inducement to the branch Colonies to enter into the arrangement. The remarks made in the Minute of 1855 upon the case of South Australia indicate the spirit as well as the letter of the arrangement in this respect. While it was declared to be unadvisable that the main service should be delayed by a call at Port Adelaide, between King George's Sound and Melbourne, it was not contemplated that the Colony which permitted its mails to be carried past its port for the benefit of the rest should suffer, not only the delay (admitted to be a hardship) but also the expense of a branch line necessitated by that very deference to the general interests. On the other hand, it was not contemplated that those Colonies at whose ports it was found best for the interests of the whole that the trunk line should call, should while receiving this peculiar advantage, avoid the payment of their full contribution toward the cost of extending the benefit of the service generally to the rest.

Instead of the proposal under consideration carrying out the principle that each Colony should contribute according to its share of the benefits received, it is, in fact, a departure from that principle. It urges a contribution in proportion to *the cost of conferring the benefit* upon each, if each were singly served; that is to say, in the inverse ratio of the benefit actually received; the Colony obtaining its Mail earliest contributing in the smallest proportion, and each in succession paying more dearly as its Mails are later delivered to it; while an extraordinary contribution is demanded in cases of extraordinary delay.

To exhibit the practical working of the proposed scheme, it is only necessary to suppose that the steam postal route were altered from the West Coast of Australia to the East, the steamers going and coming through Torres Straits. In this case the Colonies of New South Wales and Queensland, which would reap the greatest advantage by the change, would be charged with the lowest rates of contribution; while Western Australia would be called upon to pay the highest rate of subsidy for the worst accommodation. The ill effects of this adjustment were avoided by the principle of the scheme of 1855, which looked upon the Colonies as one group, and considered their interests as a whole.

Though it is stated that this Colony is not to be charged with any part of the cost of maintaining its branch service with Australia, still, as a matter of principle an earnest protest must be recorded against any departure from the arrangement of 1855, by charging upon any one of the group of Colonies separately the cost of a separate portion of the whole service.

The general effect of the proposal now made would be to increase very considerably the proportion of the subsidy payable by New Zealand. Yet the fact is disclosed by the statement of accounts last furnished that this Colony, with its scanty revenue and heavy burdens, already contributes to the Mail Service, in proportion to its population, nearly three times as much