

that route. What the motives of that Government may be in this apparently illiberal course, I conceive it is not necessary for us to inquire into, as the exaction falls exclusively upon their own residents, and does not in any way affect the arrangement between the Colonies. But that these residents do feel that they derive advantage from this route, is evident from the annexed returns, which show that, notwithstanding the impediments which this increased charge places in the way of correspondence by this route, the amounts receivable from non-contributing Colonies towards the reduction of the subsidy during the six months ending in May, 1868, amounts to £2251 16s. 4d.; the real amount paid by the persons posting the letters being probably as much more.

Although the payments on account of postage *via* Panama do not appear as a charge upon the revenue of the non-contributing Colonies (being covered by the postage received from the writers), yet the real amount to which residents in those Colonies are subjected for the use of it is not less than £10,000 per annum, and this appears to be cheerfully as it is voluntarily paid.

It would thus appear that the Colonies which at their sole expense provide this postal accommodation, to the advantages of which they have admitted the residents of the non-contributing Colonies on the same footing as their own, might have expected a more liberal view of the position should have been taken by the respective Governments. This has not been the case, for in fact some of these Governments are pursuing towards New South Wales and New Zealand precisely the conduct which the Duke of Montrose, in referring to the Suez Contract, designated as a "fraudulent use of the packets," while at the same time they are carrying out in some measure his extraordinary proposal of a fluctuating Intercolonial postage rate, with this difference, that they levy a penalty upon their own residents for the use of a postal route to which they do not contribute, the amount of which they nevertheless place to the credit of their own revenue. Still, I am not disposed to recommend any change in the existing arrangement. Having come into force it is working smoothly; and any attempt to force the other Colonies to become contributors to the subsidy would, I think, end in failure.

We might adopt the suggestion of the Postmaster-General of England, thrown out as a probable course to be pursued towards these Colonies which withdraw from the Suez Contract, and impose a triple rate of postage upon these letters. But such a charge would be prohibitory, and would deprive the contracting Colonies of the small amount they now receive in diminution of the subsidy on account of the correspondence received from the other Colonies.

It will be seen from the returns annexed, that the present rate of postage (favourable as it is to the interests of the residents of those Colonies) has failed in inducing a more extended use of this route. In all probability this is owing to the imposition of the additional rate, which the respective Governments deem it expedient to impose upon these letters, because it will be perceived that the returns (small as they are) are principally derived from the inward mails, the postage upon letters conveyed thereby being the same as that imposed upon letters to the contracting Colonies.

In case this Government should consider it expedient that a further effort should be made to induce Victoria and the other Colonies to place this matter upon a more fair and reasonable footing, I cannot advise that this effort should go beyond a fair and temperate statement of facts, and an appeal to these Governments to reconsider this question in a just and equitable spirit.

J. DOCKER.

Sub-Enclosure to Enclosure in No. 42.

STATEMENT of the WEIGHT of MAILS to and from the under-mentioned COLONIES *via* SYDNEY and PANAMA for six months, from December, 1867, to May, 1868.

INWARDS.

COLONIES.	Dec. 1867.		Jan. 1868.		February.		March.		April.		May.		Total.	
	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.
Victoria ...	0	12½	1	14	183	4	137	14	0	10½	1	0¼	325	7¼
Queensland ...	22	12	38	0	22	14	20	2	45	6	15	0	164	2
Tasmania ...	...	...	...	...	41	4	34	2	...	...	14	0	79	6
South Australia ...	...	...	1	11	28	2	45	0	3	0	43	0	120	13
Western Australia *	...	...	...	...	1	2	2	12	...	...	...	...	3	14
	23	8½	41	9	276	10	229	14	49	0½	73	0¼	693	10¼

OUTWARDS.

COLONIES.	Dec. 1867.		Jan. 1868.		February.		March.		April.		May.		Total.	
	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.	lbs.	oz.
Victoria ...	...	...	...	...	...	...	...	...	1	3½	5	2	6	5½
Queensland ...	6	10	4	13½	...	...	0	13	5	15	4	12½	23	0
Tasmania ...	...	...	0	11	...	...	1	10	0	7	0	14½	3	10½
South Australia ...	14	12	40	4	...	...	45	14	23	12	37	0	161	10
Western Australia *	...	...	...	...	...	...	...	...	...	...	...	...	...	...
	21	6	45	12½	...	...	48	5	31	5½	47	13	194	10

* At 11d. per lb. only.