

It should be pointed out to the Postmaster-General that, when forwarding copies of the General Postal Union Treaty to His Excellency for the consideration of his Ministers, the Earl of Carnarvon drew special attention to Article XVII. of the treaty, providing for the entry of countries beyond sea into the Union. Earl Carnarvon pointed out that, in the event of any of the colonies desiring to enter the Union, the Imperial Government would "regard a reconsideration of the proportions of the charge for packet service borne by the Imperial and Colonial Exchequers respectively, as a necessary preliminary to their sanction to such a step, as it would entail a considerable diminution in the receipts of the Post Office."

As the colony was already committed to a large expenditure for the conveyance of mails to and from Europe, America, &c., and as it seemed unwise at the time to further largely increase the colony's loss on account of ocean mail services (as would have been the case had the colony entered the Union on the original terms), His Excellency, in May, 1876, was informed by Ministers that they considered "that it was not necessary to decide whether the colony shall seek to be admitted into the General Union or not." New South Wales and Western Australia also declined to enter the Union, while Victoria and South Australia applied for fuller information before arriving at a final decision. This additional information has been furnished South Australia and Victoria; and a copy of a letter from the London Post Office to the Treasury, embodying the desired further information, has been forwarded to His Excellency, under cover of a circular despatch, dated the 23rd March last.

From this letter it is observed that the Imperial Government will not now "regard a reconsideration of the proportions of the charge for packet service borne by the Imperial and Colonial Exchequers respectively as a necessary preliminary" and condition to the entry of any of the Australian Colonies into the Union. And the London Post Office further intimates that the existing arrangements, under which the colonies receive the postage on the correspondence originating in Great Britain, shall not be disturbed during the period for which the present mail service arrangements extend. This is a most important determination to the colonies, and removes the more serious of the obstacles which have existed and prevented either of the colonies taking advantage of the provisions of the Postal Union Treaty. This will be best understood when it is stated that nearly the whole of the receipts for postages from the Imperial Post Office are receivable by the colonies on the correspondence originating in the United Kingdom. The loss, therefore, to be borne by any colony on entering the Union will now be considerably less than would have been the case under the original proposals of the Imperial Government.

Any colony joining the Union would be at liberty to fix its letter rates as high as 6d. per half-ounce, in addition to a further postage of 2½d. per half-ounce on foreign letters, which would have to be conveyed over sea by some independent line of steamers. Land transit charges on foreign correspondence must be borne by the despatching offices; and an illustration of this is given in the London Post Office letter to the Treasury, viz., that letters originating in any colony which may have entered the Union, addressed to Germany, would be liable to transit rates payable to Italy and Austria, through which countries the mails must pass. On the other hand, all foreign correspondence for Union colonies would be accounted for to such colonies at the rate of 2½d. per half-ounce on letters, and 10d. per 2lb. on newspapers, net weight, in return for the colonies defraying the sea carriage from San Francisco, Galle, or Singapore to destination. The bulk of the foreign correspondence is now conveyed by the Galle steamers, for the use of which the colony pays a sum equivalent to the postages, estimated at 1s. 7d. per ounce for letters; 1s. 6d. per pound for packets, and 6d. per pound for newspapers. Should this colony seek to enter the Union, it might be worth while to consider whether or not the payment now made Victoria should be reconsidered, so far as relates to the carriage of continental or foreign correspondence. Under the Union regulations, a payment in excess of the gross postages has to be made by the despatching offices on foreign correspondence to cover land transit charges.

At present, additional postage is collected on foreign correspondence sufficient to recoup the department for the payments made the London Post Office, on account of transit charges. The bulk of the correspondence from foreign offices—particularly those offices on the continent of Europe—is not prepaid to destination. Such correspondence is taxed on delivery, and the amounts retained by the taxing post offices. Under the Union regulations all correspondence (unless wholly unpaid) must be delivered free; and, instead of the public being required to bear the cost of the transit charges (except certain rates for sea special conveyance), the despatching post offices must defray this expense. In other words, the postage thus saved the public on account of transit charges means a corresponding loss to the post offices. The redirection fees will no longer be a source of revenue, as the retransmission of postal articles within the interior of any Union country or colony must be made free of all charge to the addressee. This is one of the features of the Union.

The probable loss to the colony on joining the Union can only be assumed. I do not think it would exceed £1,500 a year. The present payments to London on account of transit postage amount in round numbers to about £900 a year. The loss on account of the redirection fee being abolished cannot be stated; but it may be assumed that the loss may be regarded as a comparatively small one. There are no doubt other items to be taken into account which would add to the colony's loss, but I think it would be found that the total would not exceed the sum estimated. This loss, it may be urged, is comparatively trifling, when compared with the advantages of securing one uniform postal system for the exchange of correspondence with all parts of the world. This cannot be over-estimated, and I think the colony should be prepared to make some pecuniary sacrifice in order to secure so desirable a result.

As a joint decision on the part of the Australasian Colonies in this matter is important, and is what is desired by the London Post Office, I submit that the views of the neighbouring colonies should be first ascertained before this department communicates its own decision. Unless the whole of the colonies are unanimous, I apprehend there would be obstacles to individual colonies entering the Union.

General Post Office, Wellington, 21st August, 1877.

W. GRAY,