

It was greatly a matter of regret with the other Agents-General that the Agent-General for New South Wales was prevented, by instructions from his Government, from acting with them. The isolation was particularly deplorable to me, because it threw on me alone the necessity of defending the interests of the two colonies which are jointly concerned in the expensive San Francisco Contract.

At first sight it seemed that this service was on a separate footing, and I have had to contend that, both in equity and policy, the colonies should in this matter all stand together on one footing.

It was on this understanding that the colonies in 1873 agreed to the present arrangements, and it would be highly unjust that any of the services should be placed at a disadvantage with respect to the others. Nor would such a course be expedient for the colonies concerned. In two years the present contract from here to Galle will expire, and it is likely that any new contract made will be based on the weight of the mails. If it was admitted that in the case of the San Francisco Service the colonies should be charged because of the mails being carried by weight, the same contention would then apply to the Suez Services when a similar plan was adopted. The result would be that, instead of the Imperial Government carrying the mails part of the way in consideration of the expensive services on the colonial side of the various routes, the colonies would find themselves saddled with the whole responsibility.

I hope that the course I have taken will commend itself to your approval.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 24.

Mr. HERBERT to the AGENT-GENERAL for New Zealand.

SIR,—

Downing Street, 5th July, 1878.

I am directed by the Secretary of State for the Colonies to transmit to you, for your information, a copy of a circular despatch which he has addressed to the Governors of the Australian Colonies and New Zealand, in reference to the change which, in the opinion of the Lords Commissioners of the Treasury, should be made at the end of the present year, in the arrangement entered into with the colonies in 1873, with respect to the proportion in which the postage on correspondence passing between the Australian Colonies and New Zealand and this country should be divisible between the Imperial and Colonial Post Offices.

The Agent-General for New Zealand.

I am, &c.,

ROBERT G. W. HERBERT.

Enclosure 2 in No. 24.

The SECRETARY of STATE for the COLONIES to His Excellency the GOVERNOR.
(Circular.)

SIR,—

Downing Street, 1st July, 1878.

I have the honor to transmit to you, for communication to your Government, copy of a correspondence with the Lords Commissioners of the Treasury, in reference to the change which, in their Lordships' opinion, should be made at the end of the present year, and should continue in force until the 1st of February, 1880, in the arrangement entered into with the Governments of the Australian Colonies and New Zealand in the year 1873, with respect to the proportion in which the postage on correspondence passing between the colonies and this country should be divisible between the Imperial and Colonial Post Offices.

I have caused a copy of this despatch and of its enclosures to be communicated to the Agent-General in this country for the colony under your government.

The Officer Administering the Government
of New Zealand.

I have, &c.,

M. E. HICKS BEACH.

Sub-Enclosure 1 to Enclosure 2 in No. 24.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 23rd May, 1878.

The Lords Commissioners of Her Majesty's Treasury have had under their consideration Mr. Malcom's letter of the 24th November last, forwarding copy of a despatch from the Governor of Victoria, with its enclosure, urging the extension of the present postal arrangements between this country and the Australian Colonies, until the 1st February, 1880, the date on which the colonial and Imperial contracts with the Peninsular and Oriental Steam Navigation Company will expire.

My Lords have likewise had before them the correspondence which took place in 1873, wherein their predecessors expressly declined, on the part of Her Majesty's Government, to bind themselves, as respects the arrangements in question, for a period exceeding five years, such period expiring at the end of the present year.

I am commanded to acquaint you, for the information of Secretary Sir Michael Hicks Beach, that, although my Lords are willing to sanction the continuance, until the termination of the present contract with the Peninsular and Oriental Steam Navigation Company, of that part of the arrangement made in 1873, under which the Imperial Government undertook, until the end of this year, the conveyance, free of charge, to the colonies, of the Victoria, &c., mails between this country and Galle, the Queensland mails between this country and Singapore, and the New South Wales and New Zealand mails between this country and San Francisco, and *vice versâ*, they are of opinion that the arrangement under which, besides the free transmission of the mails between the above points, the whole postage on the correspondence conveyed (exclusive of the British inland rate of one penny on the outward corre-