

4. I am glad to learn that Mr. Forster has been co-operating with you, and I hope for a speedy and satisfactory settlement of a question which has been so long under negotiation.

5. I forward by the present mail, under separate cover, two copies of the printed papers relative to the San Francisco Mail Service presented to Parliament on the 16th instant, and which contain the correspondence on the question under notice up to and including your letters now under reply.

I have, &c.,

Sir Julius Vogel, K.C.M.G., Agent-General for New Zealand, London.

J. T. FISHER.

No. 13.

Mr. LAMBTON to the SECRETARY, General Post Office, Wellington.

SIR,—

Sydney, 30th June, 1879.

Adverting to my telegram dated 24th April last, I am directed by the Postmaster-General to forward for the information of your department a printed copy of papers laid before the Parliament of this colony, upon the subject of the despatch of the Secretary of State for the Colonies, dated the 17th January last, concerning the future arrangements for the Australasian mail services.

I have, &c.,

S. H. LAMBTON,

The Secretary, General Post Office, Wellington, New Zealand.

Secretary.

Enclosure in No. 13.

MINUTE of the Postmaster-General of New South Wales upon the Despatch of the Right Honorable the Secretary of State for the Colonies, dated the 17th January, 1879, on the subject of the future arrangements for the Australasian Mail Services.

General Post Office, Sydney, 22nd April, 1879.

IN May, 1873, the Imperial Government notified that they would convey the Australasian mails free of charge between the United Kingdom and Galle, Singapore, and San Francisco, respectively, allowing the colonies, in consideration of their providing their own packet services between the three last-named ports and the Australasian Colonies, the whole of the postage on the mails despatched from the colonies, and also the postage collected in Great Britain, less one-sixth of the latter as representing the British inland rate. This arrangement, which was to continue for five years (and under which the mails have since been conveyed), expired last year, and was renewed for another year, at the instance of the present Secretary of State for the Colonies, in consequence of a remonstrance from the representatives of the Australian Colonies and New Zealand against the proposal of the Imperial Government, made in May last, to retain four-sixths instead of one-sixth of the postage collected at their end, which proposal was accompanied by an intimation that some even less liberal arrangement was contemplated at the termination of the present Victorian contract; and I regret to observe that the twelfth paragraph of the despatch under notice seems to indicate that it is seriously contemplated by the Home Government to contribute in future to the support of one service only for the Australasian Colonies.

The question now remitted to the colonies by Sir Michael Hicks Beach is embodied in the last paragraph of his despatch, in which he desires to be informed "whether any negotiations are in progress or any arrangements made for the carriage of mails after the 1st February, 1880, from the colony under your government, to any place on the homeward route; and I shall be glad if the Agent-General for your colony, or some other person, can be instructed and fully empowered to conduct the subsequent negotiations upon this subject with Her Majesty's Government, and to conclude whatever agreement may be arrived at."

The first part of this paragraph would lead to the inference that the Secretary of State supposes that the whole of the contracts for the mail services in connection with these colonies will expire this year, or early next, when, in fact, the contract for the San Francisco Mail Service will not terminate until 1883, and the only contract which does so expire is that of the Colony of Victoria for the service to Galle.

As the Agent-General has already had this matter under his consideration, and the papers show that he is thoroughly acquainted, not only with all that has transpired, but with the full bearing of the question to be dealt with, I recommend that Mr. Forster be instructed to represent this Government in the negotiations which are proposed, with the view of arriving at an agreement as to the terms upon which the Imperial Government will unite with the colonies in providing mail communication between the mother-country and her Australasian possessions.

There are statements in the Secretary of State's despatch which seem to me to require some notice. The ninth paragraph states that "it was, however, distinctly stipulated that, so far as the Imperial Government was concerned, the arrangement above adverted to [that is, the existing arrangement] should only last for a period of five years, which has now expired. The Treasury, in 1873, decidedly refused to entertain the question of the extension of such arrangements beyond such period." The Government of this colony, so far as I can learn, had no intimation whatever to this effect. It is true that the arrangement was to be for five years, but there is nothing in the correspondence which was sent here to lead to the supposition that a less liberal arrangement would be proposed at the termination of the five years, especially after the Australasian Colonies had committed themselves to the costly enterprise of establishing on their sole responsibility three mail services. Believing that these services were as advantageous to the mother-country as to the colonies themselves, the expectation was naturally entertained that at the termination of the five years we should receive at least the same support from the Imperial Government as was accorded in 1873; especially as it was distinctly stated in a letter from Mr. Monsell to the Lords of the Treasury, dated the 15th May, 1873, enclosed