

SESS. II.—1879.
NEW ZEALAND.

SAN FRANCISCO MAIL SERVICE

(FURTHER PAPERS RELATIVE TO).

[In continuation of Papers presented on the 16th July, 1879.]

Presented to both Houses of the General Assembly by Command of His Excellency.

No. 1.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 10th April, 1879.

I am directed by the Postmaster-General to request that the share due to this colony, on account of correspondence received and despatched by the San Francisco mail route for non-contracting colonies, during the year 1878, may be remitted in time to be included in the accounts of this department for the financial year ending 30th June next.

I have, &c.,

W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

No. 2.

Mr. LAMBTON to Mr. GRAY.

SIR,—

General Post Office, Sydney, 29th May, 1879.

I have the honor to acknowledge the receipt of your communication of the 10th April last, requesting that the share due to your colony on account of correspondence received and despatched by the San Francisco mail route for non-contracting colonies during the year 1878, might be remitted in time to be included in accounts of your department for the year ending 30th June next; and in reply to forward herewith statement of amounts due and received from the several colonies, amounting to the sum of £5,741 9s. 6d., on account of the service above stated, together with a statement of account between your Government and the Government of this colony, showing the amount due to you to be £2,855 14s. 9d.; and to inform you that the necessary steps have now been taken to have the amount due forwarded to you without delay.

I have, &c.,

S. H. LAMBTON,
Secretary.

The Secretary, General Post Office, Wellington.

Enclosure 1 in No. 2.

STATEMENT of Amounts due and received by New South Wales from the Non-contracting Colonies on account of Correspondence received and despatched by the San Francisco Mail Steamships during the Year 1878.

Victoria ...	...	...	...	...	...	£3,682	5	5
Queensland ...	...	...	...	...	...	997	0	9
South Australia ...	...	...	...	...	...	707	12	3
Western Australia ...	...	...	...	...	...	52	5	1
Tasmania ...	...	...	...	...	...	302	6	0
Total ...	...	...	...	...	...	£5,741	9	6

New South Wales, £2,870 14s. 9d.; New Zealand, £2,870 14s. 9d.

General Post Office, Sydney, 26th May, 1879.

CHAS. NIGHTINGALE,
Accountant.

Enclosure 2 in No. 2.

The GOVERNMENT of NEW ZEALAND in Account with the GOVERNMENT of NEW SOUTH WALES.

CR.

By Proportion (one-half) collection on correspondence conveyed by the San Francisco mail steamships during the year 1878, from the non-contracting colonies, as per statement herewith £2,870 14 9

Dr.

To Proportion (one-half) of cost paid Pacific Mail Company for forwarding late mails by special train from San Francisco to Sacramento in October, 1877, as advised 15 0 0

Total £2,855 14 9

CHAS. NIGHTINGALE,
Accountant.

General Post Office, Sydney, 26th May, 1879.

No. 3.

MR. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 12th June, 1879.

HAVE you remitted this colony's share contributions non-contracting colonies, as requested in my letter of April 10? W. GRAY.

The Secretary, General Post Office, Sydney.

No. 4.

The SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 13th June, 1879.

YOUR share contributions non-contracting colonies will be forwarded at once.

Secretary, General Post Office, Wellington.

SECRETARY, G.P.O., Sydney.

No. 5.

MR. THOMSON to the SECRETARY to the TREASURY, Wellington.

SIR,—

The Treasury, New South Wales, Sydney, 16th June, 1879.

I have the honor, by desire of the Colonial Treasurer, to hand you herewith a draft (No. A/126) on the Bank of New South Wales, Wellington, in favour of the Treasurer of New Zealand, for the sum of £2,855 14s. 9d., being the proportion due to your colony of amounts due and received by New South Wales from the non-contracting colonies, on account of correspondence received and despatched by the San Francisco Mail steamships during the year 1878.

Requesting the favour your acknowledgment,

I have, &c.,

JAMES THOMSON,

The Secretary to the Treasury, Wellington, New Zealand.

For Under Secretary.

No. 6.

MR. GRAY to the UNDER SECRETARY to the TREASURY, Sydney.

SIR,—

General Post Office, Wellington, 8th August, 1879.

I have the honor, by direction of the Postmaster-General, to acknowledge the receipt of your letter of the 16th June, addressed to the Secretary to the Treasury, enclosing a draft for the sum of £2,855 14s. 9d., being the proportion due to this colony of the amount received by your Government from the non-contracting colonies, on account of correspondence conveyed by the San Francisco mail route during the year 1878. It is regretted that, owing to an oversight, your communication was not acknowledged at an earlier date.

I have, &c.,

W. GRAY,

The Under Secretary to the Treasury, Sydney, New South Wales.

Secretary.

No. 7.

The AGENT-GENERAL to the HON. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 20th May, 1879.

I have the honor to acknowledge the receipt of your letter of 24th March,* in reply to mine of 30th January, on the subject of the steps which had been taken towards the completion of the new mail contract, and in which you enclose me copies of the telegrams which had passed between you and the Postmaster-General of New South Wales.

I have, &c.,

JULIUS VOGEL,

The Hon. the Postmaster-General, Wellington.

Agent-General.

No. 8.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 3rd June, 1879.

I have the honor to enclose copy of a letter which I have received from Messrs. J. Mackrell and Co., covering copy of a communication from the solicitors of Messrs. John Elder and Co., on the subject of the steps which have been taken for the completion of the mail contract.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 8.

MESSRS. JOHN MACKRELL and Co. to the AGENTS-GENERAL for NEW ZEALAND and NEW SOUTH WALES.

21, Cannon Street, London, E.C., 24th May, 1879.

GENTLEMEN,—

Mail Contract.

We have been using all the pressure we have been able to apply to get this matter settled, but have not, until to-day, received any definite reply.

We append hereto a copy of a letter we have received from the solicitors to Messrs. John Elder and Co., from which it appears probable that the matter may be shortly concluded by the amended contract and the necessary bond being executed.

We have, &c.,

The Agents-General for New Zealand and
New South Wales.

JOHN MACKRELL AND Co.

Sub-Enclosure to Enclosure in No. 8.

MESSRS. LYNE and HOLMAN to MESSRS. JOHN MACKRELL and Co.

5 and 6, Great Winchester Street, London, 23rd May, 1879.

DEAR SIR,—

Australian and New Zealand Mail Contract.

We have been in communication with Messrs. Elder and Co. in reference to the draft agreement which you sent us for perusal; but, as it is now arranged that Mr. Ure and Mr. Jamieson, notwithstanding their withdrawal from the firm of John Elder and Co., shall join with Mr. Pearce in executing the bond for the due performance of the amended mail contract, they think there is no necessity for entering into the temporary agreement you propose.

We have sent to the Pacific Mail Company for their execution an agreement making the original contract between them and Messrs. Elder and Co. accord with the new arrangement, and as soon as this is executed and returned our clients will be ready to execute the bond; and we trust this may all be carried out in the course of, say, another month.

We are, &c.,

Messrs. Mackrell and Co., 21, Cannon Street.

LYNE AND HOLMAN.

No. 9.

MR. GRAY to the SECRETARY, General Post Office, Sydney.

(Telegram.)

Wellington, 22nd July, 1879.

FRISCO contract. Have you information that sureties bond been executed by Elders?

The Secretary, General Post Office, Sydney.

W. GRAY.

No. 10.

The SECRETARY, General Post Office, Sydney, to the SECRETARY, General Post Office, Wellington.

(Telegram.)

Sydney, 23rd July, 1879.

No information that Elder's firm have yet executed bond; am sending you by post letter on the subject from Agent-General.

The Secretary, General Post Office, Wellington.

SECRETARY, G.P.O., Sydney.

No. 11.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, S.W., 20th May, 1879.

I have the honor to enclose copy of a letter which has been forwarded to me by direction of the Agent-General for New South Wales, covering copy of his reply to the Secretary of State for the Colonies on the subject of the Australian postal question.*

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

* In continuation of subject treated of in No. 85 of F.-3 1879.

Enclosure in No. 11.

The AGENT-GENERAL for NEW SOUTH WALES to the AGENT-GENERAL for NEW ZEALAND.

SIR,— 3, Westminster Chambers, Victoria Street, S.W., 7th May, 1879.

Referring to the Colonial Office letter of the 29th ultimo,* in regard to the Australian postal question, in which it is proposed that after the 1st February next the Imperial Government shall receive twopence in lieu of one penny on outward correspondence, I have the honor, by direction of the Agent-General for New South Wales, to forward for your information a copy of his reply to the communication of the Secretary of State.

I have, &c.,

J. YARDLEY,

Secretary, New South Wales Government Agency.

The Agent-General for New Zealand.

Sub-Enclosure to Enclosure in No. 11.

MR. FORSTER to the COLONIAL OFFICE.

SIR,— 3, Westminster Chambers, Victoria Street, S.W., 5th May, 1879.

In reply to your letter of the 29th ultimo, in which you inform me that the Secretary of State for the Colonies has received a communication from the Lords Commissioners of the Treasury, intimating that, on being informed by Mr. Graham Berry that he had reason to believe that a fresh contract might be made with the Peninsular and Oriental Company for a fortnightly service both to Melbourne and Sydney, touching at King George's Sound and South Australia, on terms which would be advantageous as compared with the existing rate, they are prepared, under such circumstances, so far to modify their previous decision on the subject, as to agree that the Australian mails shall, as at present, be conveyed free of charge to the colonies between this country and Point de Galle or Colombo (in the event of the latter port being made the port of call for Ceylon), on the condition that the Imperial Post Office shall, after the 1st of February next, when the present arrangements will expire, receive twopence in lieu of one penny, as at present, on the outward correspondence, which may be considered as equivalent to the inland rate on both the homeward and outward correspondence; and that this arrangement would, of course, apply equally to the correspondence conveyed under other contracts *via* Singapore and San Francisco. I have the honor to state that I am not aware that Mr. Berry has any authority to act for or represent the Government of New South Wales in this or any other matter; and, not having been informed by him, or having any means of ascertaining, what he may consider reason to believe anything, I cannot avoid entertaining very strong doubts whether Mr. Berry has any grounds whatever for assuming or believing, and I myself do not believe, that the Government of New South Wales would be likely to approve of, or accede to, any arrangement which would seriously interfere with, or place them in a less favourable position than they enjoy in common with the Government of New Zealand, under the existing arrangement, which includes, and was made pursuant to, their contract with the Pacific Mail Company for conveyance of mails between Sydney and San Francisco.

There can be no doubt that the virtual renewal and extension of this contract to November, 1883, was agreed to by these two Governments under an impression that the arrangement of which it formed a part would be adhered to by the Imperial Government until the termination of the contract. And there is reason to fear that the benefits and effectiveness of the arrangement would be impaired by the alteration of terms suggested in your letter.

I think it my duty, therefore, and I have the honor on behalf of the Government which I represent, to protest against the proposal embodied in your letter, and to express my hope that, as far as the Colonies of New South Wales and New Zealand are concerned, the new arrangement may not take effect before the termination, in the year 1883, of the contract above referred to.

I have the honor to add that this letter is written, and protest made, with the concurrence of the Agent-General for New Zealand.

I have, &c.,

WM. FORSTER.

The Under Secretary of State for the Colonies, Colonial Office, Downing Street.

No. 12.

The Hon. J. T. FISHER to the AGENT-GENERAL.

SIR,— General Post Office, Wellington, 19th July, 1879.

Adverting to the letter written you by Mr. Gray on the 24th May last,† I now desire more particularly to refer to the decision of the Imperial Government, to retain after the 31st January next, twopence instead of one penny per half-ounce on all letters forwarded from the United Kingdom to the Australasian Colonies by the several mail services.

2. I have also to acknowledge the receipt of your letters of the 8th and 20th May respectively, the former of which covered a copy of a letter, dated the 30th April, addressed by you to the Secretary of State for the Colonies, reviewing the recent decision of the Imperial Government in determining to retain an additional penny per half-ounce on all letters sent to the colonies, and urging the claims of this colony, in conjunction with that of New South Wales, to a continuance of the existing postage payments, so far as relates to the carriage of mails *via* San Francisco, until that contract expires in November, 1883.

3. After perusing your letter of the 30th April,‡ before referred to, it appears to me that there is now little left for me to add in urging the claims of this colony for a continuation of the existing postage payments. From the concluding part of Mr. Bramston's letter to you of the 5th May, there is every reason to hope that the Lords of the Treasury may be induced to favourably consider the special claims of the New Zealand and New South Wales Governments in this matter.

* Identical with Enclosure 1 in No. 85 of F.-3, 1879.

† *Vide* No. 81 of F.-3, 1879.‡ *Vide* Enclosure 2 in No. 85 of F.-3, 1879.

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

in Lord Kimberley's despatch of the 13th June, 1873, that "looked at financially, the scheme" [*i.e.*, the one now in operation] "will be somewhat beneficial to the Imperial revenue, as compared with the existing arrangement."

I note that in the eleventh paragraph, in stating the charge to the Imperial Government of the present mail services, the Lords of the Treasury add that they "are unable to approve of so large an expenditure in future, feeling that it is more than is required for the conveyance of the mails in an efficient and adequate manner, and that this multiplicity of services, and the consequently enhanced cost, does in fact result from the inability of the colonies to agree amongst themselves upon any one route for the carriage of their mails. And, the time being at hand when the existing arrangements would expire, their Lordships did not find themselves in a position to prolong those arrangements as desired by the Colony of Victoria, except upon terms which would tend to relieve the Imperial exchequer; and they resolved, as a simple and fair proposal, that the General Post Office should receive 4d. on each letter, instead of the present inland postage." In answer to this, I would point out that no *one* mail service could meet the requirements of the whole of the Australasian Colonies, geographically situated as they are. For instance, if South Australia, Tasmania, and Victoria had to rely upon the San Francisco Service as their only means of communication with the mother-country, the course of post between South Australia and England would be lengthened by nearly ten days, and in the cases of Victoria and Tasmania about seven days; whilst, as regards the Point de Galle route, if that were the only line, the communication between New Zealand and England would be about eleven days longer in each direction. The same applies to Queensland: if that colony had to depend on either the San Francisco or Suez-Melbourne route as the only means of communication, its course of post would also be lengthened by several days.

In the case of New South Wales, we get our letters conveyed by way of America in about forty-five days, at a cost of 6d., against about fifty-five days occupied *via* Suez and Southampton. By paying the extra 2d. no doubt letters can be conveyed *via* Brindisi in about the same time as *via* San Francisco, but a further and a greater advantage to the Australasian Colonies, more especially New South Wales and New Zealand, of the mail service *via* San Francisco, is the maintenance of rapid and regular communication with the great continent of America, the advantages of which, both to the mother-country and the colonies, must be apparent. Not the least important result has been that the competition caused by the establishment of this service has been greatly to expedite the delivery of the mails by the Galle route, and it has thus shortened the course of post. Moreover, the service cannot be given up at present, as the contract will not expire for four years.

It may be further urged that all the colonies contribute to each other's services at a loss to themselves. Take the case of the Galle Service: for every letter sent to and from New South Wales *via* Galle, this colony pays to Victoria at the rate of sixpence per half-ounce, being the full letter rate; and in the case of letters received from England we actually lose the one penny kept by Great Britain. The same applies to Queensland as the contracting colony for the Torres Straits line, and to New South Wales as the contracting colony for the Pacific line. New South Wales, even under the present arrangements with the Imperial Government, in using the Galle line, actually sustains an annual loss of about £3,000 (this sum representing one-sixth of the postage collected in England, and the cost of conveying mails to and from Melbourne); whilst in maintaining communication with San Francisco, and taking into account all postage received under existing arrangements, she sustains an actual loss of about £23,200 per annum.

I am quite aware that the San Francisco Service occasions extra expense to England, inasmuch as she has actually to pay for the conveyance of our mail-matter across the Atlantic and by the American railways; whereas in the case of the other two routes—Galle and Torres Straits—she uses her own means of conveyance for the Australian mails to and from Point de Galle, and to and from Singapore. The vessels conveying the mails to and from these places and Great Britain would still run in Imperial and Indian interests, and even if not a single Australian letter were sent that way the cost would be the same; so that I do not quite see the basis on which the charge of £58,000 for the Eastern Seas Service, mentioned in the eleventh paragraph of the despatch, is arrived at. The facts are, I believe, that it actually costs the Imperial Government only the small amount of £1,700 for Egyptian land transit, to carry out the part of their agreement with the colonies which provides for the conveyance of Australian mails between England and Galle, and England and Singapore.

So far as can be ascertained from information at my command, the loss sustained for 1878 by New South Wales, New Zealand, Victoria, and Queensland—the colonies that respectively maintain the mail services between Sydney and San Francisco, Melbourne and Point de Galle, Brisbane and Singapore—is about as follows:—

The cost to New South Wales and New Zealand of the service between Sydney and San Francisco				£82,450
They receive in postage collected in the colonies on outward mail-matter				£21,122
Do. do. from the United Kingdom on inward mail-matter				19,258
Do. do. from non-contracting colonies for use of the line				5,740
				46,120
Loss sustained by New South Wales and New Zealand				£36,330
The cost to Victoria of the service between Melbourne and Point de Galle is				£92,500
She receives in postage collected on outward mail-matter				£16,000
Do. do. from the United Kingdom on inward mail-matter				14,000
Do. do. from non-contracting colonies for the use of line				48,000
				78,000
Loss sustained by Victoria				£14,500

The cost to Queensland of the service between Brisbane and Singapore is	£20,000
She receives in postage collected on outward mail-matter	... £3,900
Do. do. from the United Kingdom on inward mail-matter	... 3,600
Do. do. from non-contracting colonies for the use of line	... 1,450
	8,950

Loss sustained by Queensland £11,050

The total loss to the colonies on the three services is therefore about ... £61,880

If the Imperial authorities were to retain any larger portion of the postage, the loss on these services would be increased, whilst the cost to Great Britain would be correspondingly reduced.

Under existing arrangements the cost to the United Kingdom, according to the despatch, dated the 17th January, 1878, of Sir Michael E. Hicks Beach, of these three services, is as under:—

Eastern Sea Service	 £58,000
Egyptian Land Transit	 1,700
Atlantic Sea Service	 9,600
United States Land Transit	 15,700
Total	 £85,000

As I have before observed, the charge of £58,000 the Imperial Government would have to bear, whether the Australian mails were conveyed by the Eastern Sea Service or not. If this amount, therefore, is deducted, it will leave only £27,000 as the cost of the several services to the Home Government, and this will be still further reduced by the amount retained for inland postage, estimated at £10,000, leaving the comparatively small sum of £17,000 as representing the actual loss, under present arrangements, in maintaining communication with the Australasian Colonies.

The principle which I believe the English postal authorities endeavour to carry out is to make every service self-supporting as far as possible; but this I hardly think is expected in the case of their ocean mail services, for I find it stated in the report of the Postmaster-General of the United Kingdom for the year 1878, that the annual loss sustained by the Imperial Post Office in maintaining mail communication with the East Indies, China, Japan, America, and other countries, is no less than £291,300 per annum. It may therefore be strongly urged that the relationship which exists between the Australasian Colonies and the mother-country (conferring, as it does, such an immense benefit to the latter in the shape of trade) fully justifies the colonies in expecting that the Imperial Government should share any loss that may be incurred in maintaining the very necessary services that are now in existence, and which have been found to satisfy the different interests of the various Australasian Colonies. In fact, it appears to me that the first endeavour of our representative should be to try to induce the Imperial authorities to recognize the principle that they should bear a fair portion of the burden of mail communication with the colonies, in its national interest, and quite apart from the consideration of the costliness or profitableness of the services as viewed from a purely postal and economical standpoint. At the same time the fact should not be lost sight of, that, even viewing the question of cost, the more expensive half of these services, under present arrangements, falls upon the colonies, owing to the partial development of steamship traffic at this end of the line, while the competition of the numerous steam companies at the other end reduces the cost of mail communication to a comparatively small amount—so small, indeed, that in the case of the San Francisco Service the retention by the United Kingdom of two-thirds of the postage collected in that country would defray the whole cost of conveyance to and from the United Kingdom and San Francisco.

This minute, in which I have dealt briefly with some of the points likely to arise in the course of the negotiation, might be forwarded to Mr. Forster, and he should be fully empowered to make the best arrangement he can for the settlement of the question. It is hoped, however, that the Imperial Government will recognize that the colonies have a strong claim for more liberal consideration than suggested in the last paragraph but one of the despatch, and that no action will be taken by the withdrawal of Imperial aid from any of the existing services, which will imperil their continuance.

SAUL SAMUEL.

No. 14.

Mr. GRAY to the SECRETARY, General Post Office, Sydney.

SIR,—

General Post Office, Wellington, 18th July, 1879.

I have the honor to acknowledge, with thanks, the receipt of your communication of the 30th ultimo, enclosing a printed copy of papers laid before the Parliament of your colony, on the subject of the despatch of the Secretary of State for the Colonies, of the 17th January last, concerning the future arrangements for the Australasian mail services.

I have, &c.,

W. GRAY,
Secretary.

The Secretary, General Post Office, Sydney.

No. 15.

The AGENT-GENERAL to the Hon. the POSTMASTER-GENERAL.

SIR,—

7, Westminster Chambers, London, 4th July, 1879.

I have the honor to acknowledge the receipt of your letter of the 5th May.*

I enclose to you the correspondence which has passed between the Colonial Office and myself. You will see that the view I have taken is the one which your letter under reply points to.

* Vide No. 77 of F.—3, 1879.

It is useless, in my opinion, for me to attempt to reopen the question unless the Colonial Office shows a disposition to allow me to do so. I think the question of the money-cost is immaterial beside that of the slight cast upon New Zealand, in common with New South Wales, by the secret negotiation with Victoria, and the non-recognition of the representatives the two colonies were especially invited to appoint. The matter is one for the Governments of the colonies to take up. Of course, it is obvious that the procedure was aimed at the San Francisco Service, and will probably be fatal to it. The Treasury met Mr. Berry cordially, because he proposed a contract which, giving to Sydney the terminus of a fortnightly service, will make that colony disposed to relinquish the San Francisco Service, and concentrate the services again by the route which the Treasury has always favoured. I, of course, shall be willing to do anything you wish; but it seems to me my last letter exhausts my powers, and leaves the matter in the hands of the Government of the colony.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 15.

Mr. BRAMSTON to the AGENT-GENERAL for NEW ZEALAND.

SIR,—

Downing Street, 4th June, 1879.

With reference to your letter of the 30th of April,* and to the reply from this department of the 5th of May,† I am directed by the Secretary of State for the Colonies to transmit to you, for your information, copies of the replies which he has received from the Lords Commissioners of the Treasury to the representations which you and the Agent-General for New South Wales have made on behalf of the Governments of New Zealand and New South Wales, that the present arrangement respecting the division of postal receipts may continue in force, as regards the San Francisco Service, until the termination, in November, 1883, of the contract for that service by which New Zealand and New South Wales are now bound.

A similar letter has been addressed to the Agent-General for New South Wales.

I have, &c.,

The Agent-General for New Zealand, London.

J. BRAMSTON.

Enclosure 2 in No. 15.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 13th May, 1879.

The Lords Commissioners of Her Majesty's Treasury have had before them Mr. Bramston's letter of the 5th instant, transmitting copy of a letter from the Agent-General for New Zealand, in reply to one in which he had been informed, in common with the other Agents-General, of the arrangements which my Lords were prepared to agree to for the conveyance of the Australian mails after the 1st February next, wherein Sir Julius Vogel urges the claim of the Government of New Zealand and that of New South Wales to a continuance of the present arrangement, so far as relates to the carriage of mails by San Francisco, until the contract which those Governments have for the conveyance of such mails expires in November, 1883.

I am commanded to request that you will state to Secretary Sir Michael Hicks Beach that the whole question, as respects the postal arrangements with the Australian Colonies and New Zealand, is so clearly set forth in the circular letter which the Secretary of State addressed to the Governors of those colonies on the 17th January last, that my Lords have little to add thereto.

The Agent-General for New Zealand is fully aware that when the arrangements to which he refers were made, they were expressly limited to a period of five years, and my Lords, in lately agreeing to extend such period to the 1st of February, 1880, the date when the present Imperial contract with the Peninsular and Oriental Steam Navigation Company comes to an end, cannot but feel that they have acted in a very liberal spirit towards the colonies concerned.

The 1st February, 1880, on which date a new contract which the Imperial Post Office have entered into with the Peninsular and Oriental Company will come into operation, must therefore be considered a fresh starting-point.

The presence in this country of Mr. Berry, the Premier of Victoria, afforded the opportunity of his having personal communication with me on the subject of the arrangement to be made for the division, after 1st February, 1880, between the Imperial and Colonial Post Offices, of the postage accruing on the correspondence with Victoria and other colonies whose mails are carried *via* King George's Sound; and, after some discussion with that gentleman, I felt myself warranted on the part of this Board, having reference to what I understood was the intention of the Victorian Government, to enter into a contract for the conveyance of mails once every fortnight between Ceylon and Melbourne, and probably Sydney, in consenting to the present arrangement under which the Victorian and other Australian mails are carried, free of cost, to the colonies between this country and Ceylon (excepting, of course, the mails sent *via* Brindisi, on which the foreign transit rates will have to be paid as at present) being continued; on the understanding, however, that in lieu of the inland rate of one penny per half-ounce letter on the outward correspondence, which is all that the Imperial Post Office now receives, twopence, as an equivalent to the inland rate on the outward and homeward correspondence, should be retained on the outward correspondence, leaving fourpence on the outward and the whole of the postage on the homeward correspondence to accrue to the colonies.

Having agreed to this arrangement with Mr. Berry, my Lords intimated to the Secretary of State that it would be equally applicable to Queensland, whose mails are now conveyed between this country

* *Vide* Enclosure 2 in No. 85 of F.—3, 1879.

† *Vide* Enclosure 3 in No. 85 of F.—3, 1879.

and Singapore free of cost to the colony, and New Zealand and New South Wales, the mails for which colonies are now carried at a considerable expense to the Home Government between this country and San Francisco.

My Lords cannot but think that the arrangement to which they have agreed is one by which the colonies will be dealt with very liberally. The Home Government will merely retain that which may be considered equivalent to its inland postage, whilst the remainder of the postage on the outward and the whole of the postage on the homeward correspondence will accrue to the colonies concerned.

My Lords have now only to request that you will state to Sir Michael Hicks Beach that they are decidedly of opinion that they would not be warranted, on the part of the Home Government, in acceding to the request preferred by Sir Julius Vogel.

R. G. W. Herbert, Esq., Colonial Office, London.

I have, &c.,

H. SELWIN IBBOTSON.

Enclosure 3 in No. 15.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 27th May, 1879.

The Lords Commissioners of Her Majesty's Treasury have had before them your letter of the 20th instant, transmitting, with reference to previous correspondence, copy of a letter from the Agent-General of New South Wales, requesting that the present arrangement respecting the division of postal receipts between the Australian Colonies and New Zealand may continue in force as regards the San Francisco Service until the termination of the contract for that service in November, 1883.

I am commanded to acquaint you, for the information of Secretary Sir Michael Hicks Beach, that my Lords see no reason to come to any other conclusion on this subject than that which was communicated to the Secretary of State in their letter of the 13th instant with reference to a similar application from the Agent-General of New Zealand.

R. G. W. Herbert, Esq., Colonial Office, London.

I have, &c.,

H. SELWIN IBBOTSON.

Enclosure 4 in No. 15.

The AGENT-GENERAL for NEW ZEALAND to the SECRETARY of STATE for the COLONIES.

SIR,—

7, Westminster Chambers, London, 25th June, 1879.

I have the honor to acknowledge the receipt of a letter from Mr. Bramston, written by your instructions, and covering the copy of a letter from Sir Henry Ibbotson on the subject of the division of postal receipts.

Sir Henry Ibbotson in this letter states that the Lords Commissioners of Her Majesty's Treasury have decided to retain twopence per half-ounce letter on the correspondence passing between this country and New South Wales and New Zealand by the San Francisco route. He explains that this decision is come to in consequence of a negotiation with Mr. Berry. Sir Henry Ibbotson states that My Lords consider that by this arrangement the colonies will be dealt with very liberally.

On the 17th January last you addressed a circular letter to the Governors of the Australian and New Zealand Colonies, in which you asked them to appoint representatives in this country to conduct negotiations with Her Majesty's Government upon the subject of the future carriage of the mails. In accordance with this request I was appointed by my Government to represent New Zealand, and I advised you to that effect in my letter of the 16th April. Of that letter you have not done me the honor to take any notice, but you caused a letter to be addressed to me on the 29th April, informing me that the Lords of the Treasury were prepared to reduce their previous demand of fourpence per letter to twopence. To this I replied, urging that no change should be made with respect to the San Francisco Service till the contract expired. The letter now under answer is the reply I have received. It seems to me to convey a fixed decision of the Treasury, based solely on an interview with Mr. Berry.

I should have been prepared, as representative of my Government appointed in accordance with your express invitation, to go into the whole question, and the matter might have been fixed on some intelligible basis. As to what the result would have been it is idle now to inquire, since my Lords have taken a stand which forbids discussion. They are now prepared to receive half what they asked a few months since, without any basis or computation, and say that they are liberal. I venture to think that nothing can be more mischievous than that the colonies should be taught to look upon the English Treasury as a capricious dispenser of benefactions, at one time inclined to be exacting, at another liberal. My Government will, I think, regret to find that their compliance with the invitation of the Secretary of State to appoint a representative has resulted in his receiving no recognition.

I have, &c.,

JULIUS VOGEL,

Agent-General for New Zealand.

The Secretary of State for the Colonies.

By Authority: GEORGE DIDSBURY, Government Printer, Wellington.—1879.

Price 9d.]

