

remunerative nature of the Contract, and the New Zealand trade generally, have not yet been realized.

The nett profit on the working, including all sums appropriated for dividends, and written off for depreciation, &c., have been considerably less than a third of the subsidies—that is to say, more than two-thirds of the aggregate subsidy have been spent in carrying on the service, in addition to the receipts for freight and passage money.

I state this in order to show that the Company has not yet reaped that moderate degree of success which might reasonably have been expected to result from an undertaking in which a large amount of capital has been invested, and which certainly has been very beneficial to the Colony.

I feel justified, however, in regarding your letter as an evidence of your friendly appreciation of the position of the Company, and an earnest of a continuance of an interest you take in its prosperity.

I hope we may meet with equal consideration from the Government of New Zealand, and that they will give the Company liberal and firm support.

I have, &c.,

JAS. WORLEY.

The Honourable Crosbie Ward, Esq.

No. 19.

London, 15th August, 1863.

SIR,—

Referring to previous correspondence on the subject of the establishment of a Mail Service between Great Britain, New Zealand, and Australia, by way of Panama, in the course of which the Lords Commissioners of Her Majesty's Treasury express an unwillingness to co-operate with the Colonies of New South Wales and New Zealand in establishing such a service, in consequence of the expense which would be entailed thereby upon this country, I have now the honour to acquaint you, for their Lordships' information, that proposals have been made to perform the service required for a subsidy which it may be within the power of the Government of New Zealand alone to guarantee.

Before definitely accepting the proposals referred to, I do myself the honour to submit for their Lordships' consideration, whether it might not be advisable for the public service that the negotiations of the service should be entered into, and the Contract effected, by Her Majesty's Postmaster-General, the guarantee of the Colony being taken for the payment of the whole subsidy.

I would further submit that an arrangement should be come to in case of a satisfactory Contract being made for carrying out the service, whether through the Imperial Post Office, or otherwise, but at the sole cost of New Zealand, for the purpose of fixing the rates of Postage and apportioning between the two countries the postages received in the United Kingdom on correspondence conveyed by the packets in question. The principle of such apportionment has, I am aware from minutes of their Lordships, which have been made public, already received consideration, and requires merely to be applied to the present case.

I have to request that you will draw their Lordships' attention to the questions which I have raised, at as early a period as may be convenient, in order that the arrangements for the service may be proceeded with, with as little delay as possible.

I have, &c.,

CROSBIE WARD.

The Right Honourable F. Peel,

&c. &c. &c.

Treasury Chambers, Whitehall.

No. 20.

London, 28th August, 1863.

SIR,—

I had the honor on the 15th instant to address to the Secretary of the Treasury a letter informing him, that proposals had been made to me for the establishment of a Postal Service between Great Britain and New Zealand by way of Panama, for a subsidy which it might be within the power of the Colony alone to guarantee, and requesting that the Lords Commissioners of Her Majesty's Treasury would consider whether or not it would be desirable for the public Service that a Contract on the basis of such proposals should be entered into by the Imperial Post Office, upon the guarantee of the Colony; and also suggesting that in any case an arrangement should be come to without delay, for apportioning the gross postages receivable in this country upon correspondence forwarded hence to the Australian Colonies and New Zealand, by the route in question. As the subject will doubtless be brought before the Right Honorable the Postmaster-General, I do myself the honor of drawing your attention to some considerations affecting it, which appear to me of importance.