

Wales and New Zealand; that it appears to have left a certain margin of profit to the Imperial Government; and that some help ought rather to have been given to a Colonial Government through whose enterprise an additional means of communication between the mother country and the colonies has been opened.

2. I think it best in this case to forward a copy of the Ministerial memorandum, as well as of that of the Secretary of the Post Office, on whose calculations the former is partly founded.

3. It can hardly be necessary for me to refer to the great energy which has been displayed by the Government and Legislature of New Zealand in the prosecution of every scheme which offers a prospect of advancement and development, or to remark that it is to the mother country that almost all the profitable earnings of the colony revert beyond what she can herself absorb. But I can assure your Lordship that the liberal co-operation of the Imperial Government in such enterprises as may benefit in common the colony and the Empire, is received by the former with grateful appreciation.

4. I have approved of a copy of Mr. Vogel's memorandum being sent to the Agent of the Colony in London, who will be able, if your Lordship pleases, to afford any further information which may be desired upon the subject.

I have, &c.,

JAMES FERGUSSON.

Governor.

The Right Hon. the Earl of Kimberley.

Enclosure 1 in No. 2.

MEMORANDUM for His Excellency the GOVERNOR.

THE Postmaster-General has the honor to call His Excellency's attention to the little assistance which the colony has received with respect to the Californian Service.

Although New Zealand commenced the service, and was subjected to all the difficulties incidental to the initiation of a new enterprise of the kind, it is yet substantially placed in a very much worse position in respect to the past than the Colony of New South Wales, in conjunction with New Zealand, will be placed in respect to the new service about to be commenced.

The Home Government have paid to New Zealand, on account of the postage receipts for the letters sent by the route, the sum of £1,534 only; whereas if it had applied to this colony the same principle as will regulate its contribution to the new service after the end of this year, New Zealand would have received, it is estimated, about £17,116.

The amount paid to New Zealand is the absolute profit, after defraying the whole of the expenses from San Francisco to New York, including allowance of the British inland rate, and for all charges from London to San Francisco, including allowance for outward British postages, and including also a charge for the cost of transmitting the mails by the Atlantic steamers, although the greater part of the mails were, it is believed, forwarded by a steamer to which the Imperial Post Office did not make any extra payment.

The colony was more liberally treated during the existence of the Panama Service, for in that case the Imperial Government carried the mails free to and from Aspinwall.

The Postmaster-General ventures to ask that His Excellency will represent as strongly as possible, to the Secretary of State for the Colonies, the hardship which it appears to Ministers the colony will sustain as a return for its enterprise in initiating a service which must prove exceedingly important to the Imperial Government, and which has already been very largely used for Imperial purposes, and to urge that the colony may be more liberally dealt with.

It is proposed, if His Excellency does not object, to send a copy of this memorandum to the Agent-General, and to request him to see the Secretary of State for the Colonies on the subject. The Postmaster-General will be glad if His Excellency can see his way to make such a representation to the Secretary of State as will induce him to lend a favourable ear to the representations of the Agent-General.

Wellington, 17th October, 1873.

JULIUS VOGEL.

Enclosure 2 in No. 2.

MEMORANDUM for the Hon. the POSTMASTER-GENERAL.

It is estimated that the postages which would be due to this colony from the Imperial Post Office, if payment were based on the arrangement to be brought into operation on the 1st January next, would amount to £17,116. From this sum may be deducted about £6,000, estimated to have been paid by the London Post Office for the territorial and sea transit of mails between San Francisco and the United Kingdom; as well as a sum of £1,534 credited to this colony in April last, representing, after defraying all charges, the surplus accruing to the London Office on account of the San Francisco Service up to June, 1872.

Although the cost of the transit of the newspaper and book portions of our mails from San Francisco to England, and the cost for conveying the newspaper and book portions of the English mails from New York to San Francisco, was made a charge on this colony, it should be remembered that the Imperial Post Office, by the proposed new arrangement, now undertakes to defray the cost of conveying mails from San Francisco to London and from London to San Francisco; and were this in force during the period of the late service, the accounts would have stood thus:—

Estimated postage	...	...	...	...	£17,116
Less amount credited colony	...	...	...	...	1,534
Balance due colony	...	...	...	...	£15,582

General Post Office, Wellington, 16th October, 1873.

W. GRAY.