

rate of charge in all respects as the mails using the eastern passage. This I have no doubt was the intention of Lord Kimberley, and this is why no allusion as to the possibility of any extra charge was made in the telegram.

It is quite useless for the Lords of the Treasury to make any recommendation that the charge for newspapers should be fourpence for four ounces (4d. per 4 oz.); the real question is that the charge must be the same as that by the eastern route, one penny for four ounces (1d. per 4 oz.), or prohibit altogether the sending of any but letters by the San Francisco route. They may just as well recommend four shillings for the four ounces as fourpence. Those who wish to send newspapers by the eastern route can do so *via* Southampton, and it is at their own option whether or not they pay the extra charge *via* Brindisi, but *via* San Francisco there is no such choice.

Should the Imperial Government consider it has a just claim on New Zealand and New South Wales, and that it can substantiate it, I would humbly suggest that the better course would be to make the claim for the full sum of £12,000, and try to arrange the matter by friendly negotiation.

In taking the course recommended by the Lords of the Treasury, of making so serious an alteration of the postal rates at a few days' notice, unknown to the two colonies most interested, and with Lord Kimberley's arrangement still in force, an amount of indignation and ill feeling will be aroused that will take many years to allay, especially as the new contract at £90,000 per annum for eight years has only just commenced, and of that sum £15,000 a year has been incurred almost expressly to meet the wishes of the Home Government, to have rapid and regular communication with the new Colony of Fiji.

It is not for me to deal with the question as between the Imperial Government and that of the United States, which is the real point at issue, and not one as between Australia and the Home Government; and I respectfully suggest that the Government should hesitate while attempting to extricate itself from a small pecuniary difficulty with the United States Government, and not create a much more complicated and formidable entanglement with two of its finest colonies, which, once effected, no mere expenditure of money could obliterate or efface.

20, Princes Gardens, 4th February, 1876.

DANIEL COOPER.

### Enclosure 2 in No. 1.

Mr. W. FORSTER to the UNDER SECRETARY of STATE for the Colonies.

3, Westminster Chambers, Victoria Street, S.W.,  
28th February, 1876.

SIR,—

With reference to your letter of the 29th ultimo, transmitting a copy of a letter from the Treasury, with its enclosures, on the subject of an increase in the transit charges across the American Continent on the Australian and New Zealand mails conveyed *via* San Francisco, I have now the honor, in compliance with the Earl of Carnarvon's request at the interview which I had with his Lordship, to submit the following remarks on the propositions contained in the correspondence in question. Not received.

I regret very much that the position in which the colonies concerned have been placed by former communications from the Colonial Office, and by the subsequent action taken with reference to these communications, appears to render it almost impossible for these colonies to take any steps towards assisting Her Majesty's Government, by sharing a portion of the burden imposed upon the latter by the course adopted by the Government of the United States. Among the communications to which I refer, the chief are,—

1. Telegram from the Secretary of State for the Colonies to His Excellency the Governor of New South Wales, dated 16th May, 1873, in which it is clearly intimated that the Imperial Government will pay to each colony contributing to the mail service the postage received on the outward mail, and it is added, subject to certain immaterial conditions, that "similar payment will be made in case of establishment of service from Singapore or from San Francisco."

2. The undertaking thus signified is confirmed by a despatch dated 13th June, 1873, from the Earl of Kimberley to Sir Hercules Robinson, and by its enclosed letters, A and B, from Mr. Lengen to the Under Secretary of State for the Colonies, dated 16th May, 1873, and from Mr. Strong to the Postmaster-General, dated 14th May, 1873, and it is enunciated in a more complete form in the letter from the Secretary to the Treasury to the Postmaster-General, dated 2nd June, 1873, also enclosed (E) with the despatch above quoted.

By these letters it will be seen that the Imperial Government not only undertake to convey the mails in question free, but that, in effect, the colonies are invited, and the free postage by San Francisco held out as an inducement to those colonies, to make arrangements, upon the basis of such free postage for their letters, for the establishment of a mail service by way of San Francisco from New South Wales and New Zealand across the American Continent to London. It is a fact that such arrangements have been entered into by the two colonies concerned upon that basis, and there can be no doubt that these arrangements were chiefly encouraged and induced by the promise of free postage, as above indicated. I must also point out, with reference to the remark in the Treasury letter of the 21st January, 1876, that "it is open to either side to revise the rates at present in force;" that throughout the correspondence above referred to, and the negotiations in connection therewith, it was fully implied and understood that the