

total cost of the service to the United States. On the terms of the arrangement of 1873, the mother-country is in a greatly better position—that is to say, the value represented by the free carriage of mails to and from San Francisco is much less than is represented by the then payments. Yet for the increased cost of transit across the continent, amounting to £3,600, without taking into account the saving on the ocean service, the Post Office proposes to impound two-thirds, instead of as at present, one-sixth, of the postage receipts.

The change means that the Home Government will retain some £33,000 of postage more than they keep at present, and the sole excuse for it is some £4,000 extra charge on the United States carriage, which extra charge is less than one-half the amount saved on the ocean transit to New York. This is easily shown. The saving by the present Atlantic service is one-half the entire amount that used to be paid. The present cost of sending the Australian mails to New York is £7,124, and this represents one-half the former proportion, so that there is a saving in the Atlantic service of £7,124 against an increase of £3,600 on the land transit service. Even supposing, which I strenuously object to, it was held that, notwithstanding the saving of cost, the £7,124 represented an extra payment, and that it should be added to the £3,600, the two together would only amount to £10,724, and it is proposed to impound £33,000 to cover it.

To avoid misunderstanding, I may say that the figures I have given refer to the Australian and New Zealand mails combined. By the San Francisco route there are heavy mails for New South Wales as well as for New Zealand. I believe Queensland also, to some extent, uses this service.

Touching the third point, my Lords, when they claim to be liberal because they only ask one-third of the total postages, appear to forget altogether the enormous cost the colonies are put to for the subsidies for which they alone are liable.

The subsidies for carrying the English mails paid by the colonies amount to close upon £200,000 annually. For this they get the postages less the inland rate, and free carriage on the Anglo-Galle, Anglo-Singapore, and Anglo-San Francisco Sections. They lose considerably by the present arrangement.

The old plan was a division of the receipts and the cost between the mother-country and the colonies. The alterations made have avowedly been for convenience sake, and not to change the principle of payment. I respectfully but strongly protest against the claim which is now made, as it is not justified by any change in the circumstances under which the existing agreement was entered into, and because it will create the gravest possible dissatisfaction in the colony. That dissatisfaction will not arise so much from the loss of the money, as from the sense of the injustice of the Imperial Government forcing upon the colonies an arbitrary payment quite uncalled for by the conditions of the case, but from which the colonies, having entered into liabilities for the sectional services, would have no power to free themselves.

I have, &c.,

JULIUS VOGEL,
Agent-General.

The Secretary of State for the Colonies.

Enclosure 5 in No. 24.

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

Memorandum of the Agent-General for Victoria for Sir Michael Hicks Beach, Her Majesty's Principal Secretary of State for the Colonies.

REFERRING to Mr. Herbert's letter of the 5th instant and to the letters accompanying it on the subject of postal charges to the Australasian Colonies, copies of which Sir Michael Hicks Beach has been so good as to forward to the Agent-General for Victoria, for the information of his Government, the Agent-General begs to submit the following reasons against the adoption by Her Majesty's Government of the proposal contained in Lord John Manners's communication.

That proposal is, that from the end of the present year, and until the 1st February, 1880, the Imperial Post Office shall receive 4d. instead of 1d., as hitherto retained, out of the 6d. charged on a colonial half-ounce letter posted in England.

The principal, if not the only distinctly specified ground put forward in support of this suggestion appears to be that the United States Government have recently raised their terms for the carriage of book-parcels and other printed matter across the American continent, and that consequently the mother-country is now (as alleged) in a worse position than that she held before the United States Government made the new regulation. It is not, however, stated that, simultaneously with the making this charge, a reduction of the postal charge on letters was conceded by the United States; so that at any rate the one would to some extent—perhaps to a considerable extent—balance the other.

Be this, however, as it may, and accepting the statement of Lord John Manners as it stands, the Agent-General respectfully submits that it altogether fails to justify Lord John Manners's proposal as against any of the colonies; and as regards those colonies using the Suez route the statement does not seem to apply at all, unless as a matter of course. The colonies using the Suez route are assumed to be liable to contribute to any deficit which may be shown to result from changed conditions in the working of the San Francisco route.

His Lordship, however, appears partly to rely, as against all the Australasian Colonies—whether using one route or another—on the fact that the mother-country carries, without cost, to the colonies all Australasian letters as far as Galle, Singapore, and New York. Here, however, it appears sufficient to answer that in this the mother-country only does what she contracted to do, inasmuch as on her own proposal it was expressly agreed, at the time of the entering into the now subsisting contract between Victoria and the Peninsular and Oriental Steam Navigation Company in 1873, that the mother-country should undertake this very service, and “my Lords” were particular in exacting the consideration for which such service was to be performed. Mr. R. R. W. Lingen, writing on the 16th of May, 1873, to the Colonial Office, from the Treasury, says, “We have determined to carry mails to and from Galle, Singapore, San Francisco, and this country free of charge.”