

No. 8.

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

SIR,—

7, Westminster Chambers, London, S.W., 8th September, 1879.

Referring to my letter of 15th July, I now have the honor to transmit, for your information, copy of a further letter which I have received from the Colonial Office, covering copy of the reply received by that department from the Imperial Treasury relating to the decision arrived at respecting the division of postal receipts.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure in No. 8.

The COLONIAL OFFICE to the AGENT-GENERAL.

SIR,—

Downing Street, 13th August, 1879.

The Secretary of State for the Colonies caused to be forwarded, for the consideration of the Lords Commissioners of the Treasury, a copy of your further letter of the 25th June, in reference to the decision arrived at by their Lordships respecting the proposal that no change should be made as regards the division of postal receipts till the expiration of the mail contract for the conveyance of the mails to and from New Zealand and New South Wales and this country, which expires in 1883; and I am now directed to transmit to you, for your information, a copy of a letter which has been received at this department in reply.

Sir Michael Hicks-Beach desires me to observe, in connection with this correspondence, that, as the decision of their Lordships as to the amount of the postal receipts to be retained by the Imperial Government is a very considerable modification of their original proposal, and was arrived at after full consideration of your letter* of July 31st, 1878, among other communications, he doubts whether any prolonged consideration of the question, or further advocacy of the views of the colonies concerned, would have been of advantage.

After Her Majesty's Government had consented to reduce by so large a proportion as one-half the amount of postage which it had proposed to retain, the general proposal for negotiations on this point with the Colonial Governments was, in Sir Michael Hicks-Beach's opinion, no longer applicable to the circumstances. But the Lords Commissioners of the Treasury have not failed to consider the representations conveyed in the letters which you have from time to time addressed to this department.

I have, &c.,

ROBERT G. W. HERBERT.

The Agent-General for New Zealand.

Sub-Enclosure to Enclosure in No. 8.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 17th July, 1879.

In acknowledging the receipt of Mr. Bramston's letter of the 11th instant, enclosing copy of a letter from the Agent-General of New Zealand relative to the decision arrived at by this Board as to the future division of postal receipts from correspondence passing between the Australian Colonies and this country, I am commanded by the Lords Commissioners of Her Majesty's Treasury to request that you will state to Secretary Sir Michael Hicks-Beach that my Lords regret that the arrangement in question does not appear to meet with Sir Julius Vogel's approval.

My Lords feel it incumbent on them to repeat that on the termination of the present British Post Office contract with the Peninsular and Oriental Steam Navigation Company the postal arrangements hitherto existing with the Australian Colonies and New Zealand would, as a matter of course, come to an end; and that they have at no time in any way implied that the arrangements at present in existence would be continued beyond that date. Such being the case it was no doubt in contemplation that there should be discussion with representatives from the colonies, as referred to by Sir Julius Vogel, but the presence in this country of the Premier of Victoria afforded an opportunity of learning at any rate the views of that important colony. My Lords must here remark that the question of doubling the packet service between this country and the Australian Colonies *via* King George's Sound has been one which the Board of Treasury have on different occasions expressed themselves desirous of seeing carried out; when, therefore, Mr. Berry, in discussing the matter with me, informed me that he had reason to believe that a fresh contract might be made by his Government with the Peninsular and Oriental Company for a fortnightly service both to Melbourne and Sydney, touching at King George's Sound and South Australia, I consented in that event, on the part of their Lordships, so far to modify their previous decision in regard to the division of postage, &c., as to agree to convey the mails as at present free of charge to the colony as far as Ceylon and *vice versa*, on the condition that, in lieu of the inland rate of one penny on the outward correspondence, the British Post Office should receive twopence on such outward correspondence, as an equivalent to the inland rate on the outward and homeward correspondence.

I am further to state that my Lords, on agreeing to the arrangement with Mr. Berry, thought it but fair to the other Australian Colonies and New Zealand that it should be made equally applicable to them, and they therefore requested the Secretary of State to inform the respective Governments; and I am to add, with reference to the concluding paragraph of Sir Julius Vogel's letter, that my Lords cannot but regret that he should think there was any intention on their part of not recognizing his position as the representative of his Government as respects the postal question.

I have, &c.,

H. SELWIN IBBOTSON.

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