

Mr. Edward Hamilton, the Representative Agent of New South Wales, at the same time submits a separate statement showing the chief reasons in favour of the route founded on more general considerations, in which I fully concur.

I therefore respectfully request that you will grant to Mr. Hamilton and myself the favour of an interview, that we may point out the steps which we desire to take, with the assistance of Her Majesty's Government in this matter.

I am, &c.,

CROSBIE WARD.

The Right Hon. W. E. Gladstone.

### Enclosure in Enclosure 1, in No. 17.

#### STATEMENT BY MR. CROSBIE WARD IN FAVOUR OF ESTABLISHING POSTAL COMMUNICATION WITH NEW ZEALAND, VIA PANAMA.

The Legislature of New Zealand has granted a sum of £30,000 per annum for five years towards a subsidy for maintaining a monthly mail service with the United Kingdom, *viâ* Panama, mainly on the grounds that the existing route *viâ* Suez, places New Zealand at a serious disadvantage in point of postal communication, and that the service maintained by that route is unduly expensive, unsatisfactory, and insufficient for the requirements of the colony.

The Suez route to New Zealand places that Colony at an artificial distance from England, more than 2,000 miles greater than by way of Panama. This additional distance creates serious delay in the carriage of correspondence, and causes an expense to fall upon the colony quite disproportioned to the advantages received.

The delay complained of arises in the following manner: the terminal station of the service is in Australia, at a distance of about 1,200 miles from New Zealand; the times of arrival and departure at and from the terminus, are arranged so as to afford a sufficient interval there for replies to be sent by the return packet; with this interval the course of post to and from the Australian Colonies is a little under four months; but the New Zealand Mails do not arrive at their destination till it is too late to reply by the packet returning from Australia, and a delay of a whole month is the consequence, making the course of post five months in the case of New Zealand.

In addition to the ordinary delay thus caused, it is to be observed that the times of departure of the homeward packets on the main line from Australia being, as is desirable, adhered to punctually, without reference to the New Zealand branch service, the great distance to be traversed by the smaller packets from that colony involves the alternative of either despatching its homeward mails at a very early date, or of risking the detention of those mails in Australia, as has sometimes happened for another month.

In other words, New Zealand is not, and apparently cannot be satisfactorily included in a scheme of posts by way of Suez; as unlike the majority of the Australian Colonies, which are practically on the main line, the certainty of communication essential to a mail service cannot in its case be secured.

A statistical statement is appended, which shows the extent of the correspondence between the United Kingdom and New Zealand, and of the trade which has arisen with that Colony. It is worthy of particular notice that the number of letters passing between the two countries, which in the year 1857 was 77,900, or 5·7 per cent. of the whole Australian correspondence, in the year 1860 became 266,700, or 11·6 per cent.; and last year, 1862, rose to 420,200, or 16·3 per cent.

The value of New Zealand imports and exports, which in 1860 amounted to a little over two million pounds, in 1861 exceeded three and three-quarter millions, and by the last returns are shown to have been at the rate of six millions in 1862. The gold discoveries which have greatly augmented the population and trade of the colony during the past year and a half, still promise to develop abundant sources of further prosperity.

The exports, and the great bulk of the imports of the colony, go to and come from the United Kingdom, either directly or indirectly. The reduction to be effected in the time occupied by the course of post as it would effect a proportionate saving on all business transactions between the two countries, may therefore be set down as a gain to be made of no inconsiderable sum of money on each side.

The expense complained of, may be stated briefly as arising in the following manner:—The colonial contributions to the general mail subsidy are assessed in the ratio, first, of the number of letters received and sent by each colony; and, secondly, of the distance of each from England. New Zealand, which has a far larger correspondence in proportion to revenue and population, than any other colony, pays willingly in the former ratio, but objects to its correspondence being carried by a route which, in artificially increasing the distance from England by 2,000 miles, not only delays the mails, but loads the colony with an additional charge for their longer carriage.

The statistical statements accompanying this paper, show that, last year, the population of New Zealand, numbering about 105,000 persons, sent and received 420,200 letters to and from Great Britain, or four letters per head per year; while the correspondence of the other colonies of