

No. 2.

MEMO.—The Secretary of State's Circular Despatch of the 24th June, 1863, prefers a claim against New Zealand of £39,425 0s. 1d., on account of the Main Line of Steam Postal Communication between Great Britain and the Australian Colonies, up to the 31st December, 1863, this amount is made up as follows:—

1st Charges raised against the Colony in previous accounts extending from 1st January, 1857, to 31st March, 1862.	37,655	18	10
2nd Charges against the Colony for 9 months ending 31st December, 1862	7,883	5	4
3rd Charges against the Colony for the year ending 31st December, 1863	18,885	15	11
	<hr/> 64,425 0 1		
From which amount there are to be deducted Remittances, the receipt whereof is acknowledged	25,000	0	0
Remittance made 31st August, 1863	7,350	0	0
	<hr/> 32,350 0 0		
	<hr/> £32,075 0 1		

This balance has been accumulating for some years past, chiefly owing to the votes passed by the General Assembly for this service not being sufficient to defray the proportion exigible from the Colony.

The charge for the year 1863 has been calculated on the basis of the Treasury Minute of the 15th November, 1858, which provides that each of the Colonies is to contribute to the moiety to be paid by them collectively in proportion to its correspondence.

A fresh estimate of this proportion has been made for this year, which will be employed for similar purposes until the termination of the year 1865. This charge also includes the Egyptian transit rate on the Newspapers sent *via* Southampton, and a moiety of the cost of mail boxes.

Mr. Ward in a Memorandum dated the 14th November 1861, published in the papers relative to Steam Postal Service, laid before the General Assembly in its last Session, D. No. 8, fol. 9, reviewed generally the claims of the Imperial Government on this account, stating also the objections which were to be urged against them. The Secretary of State in acknowledging the receipt of this Memorandum in a Despatch to His Excellency the Governor, dated 4th June, 1862, says:—"That the Lords Commissioners adhere in every respect to their previous decisions, as communicated to your Government 'on this subject, and in conformity with their Lordship's desire, I have to instruct you to inform me distinctly whether your Ministers accede to the demands made on the Colony on this account, or whether they prefer that New Zealand shall be withdrawn altogether from the main Contract.'" I am not aware that this Despatch has been replied to.

In the face of this decision there seems no alternative, but to make provision for liquidating the out-standing claims of the Home Government, and to put on the Estimates a sufficient sum to cover the subsidy to be paid by the Colony for the future.

G. ELIOTT ELIOTT.
Secretary.

General Post Office.
3rd October, 1863.

No. 3.

Downing Street,
20th March, 1864.

SIR,—

I have the honor to transmit to you the copy of a letter, with its enclosures, from the Secretary to the Treasury, relative to the amount which will be payable by the several Australian Colonies and New Zealand on account of the Mail Packet Service for the year from the 1st of January, 1864.

I request that you will lay this Despatch before your Responsible Advisers, with a view of obtaining at the proper period a settlement of the claim against the Colony under your Government.

I have also to call your attention to the arrears due for this Service from New Zealand on account of previous years, and to request that early measures may be taken for payment of the amount.

I have, &c., &c.,

Governor Sir George Grey, K.C.B.,
&c., &c., &c.

NEWCASTLE.

Enclosure 1 to No. 3.

The Right Honourable F. PEAR to Sir F. ROGERS, Bart.

Treasury Chambers,
7th March, 1864.

SIR,—

I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit herewith a copy of a letter and of its enclosures from the Post Master General, dated 29th ult., forwarding an