

to the Secretary of State, as containing the views of this Government on the various points raised by the Duke of Montrose. The Government of this Colony cannot modify its opinion that it is now impossible for any ocean mail service by a single route, whether monthly or fortnightly, to satisfy the separate communities which are rapidly growing in social and commercial importance along an Australian seaboard of more than 2,000 miles, and over an inland territory 1,000 miles distant from the Australian coast. The service by way of Suez and King George's Sound would give the Colony of Victoria a pre-eminence in its relations with Europe at the cost of the rest of Her Majesty's Australian possessions, and not without inflicting on those most distant from the favoured Port of Melbourne an intolerable grievance. While the inhabitants of Victoria, from Melbourne being the first port of arrival and the last of departure, as well as from the comparative compactness of the territory, would be enabled at leisure to reply to their correspondence by each mail, the residents in the distant parts of the interior of this Colony would seldom or never enjoy the same means of communication; and even the mercantile community of Sydney would be placed at a manifest disadvantage. The Colonies of Queensland and New Zealand could not possibly be brought within the course of post by this route.

3. I am induced to hope, from the connection of this Colony with New Zealand in supporting the mail service *via* Panama, and from the commercial intercourse of the two Colonies, that your Government will be disposed to consider favourably any change that may have the effect of shortening the through passage between Sydney and Southampton. Now that the Atlantic passage is direct to and from Colon, the two subsidizing Colonies have a more urgent interest in improving the Pacific route, in order that the Panama mails may fairly compete with the mails *via* Suez. It has been represented to this Government that the time occupied by the passage between Sydney and Panama would be reduced by at least two days, if the New Zealand mails were delivered at the Bay of Islands instead of Wellington. The saving of time is an element so essential to the establishment of the Panama line, if the service is to be made available for the Australian Colonies, that it is not supposed that its importance will not be fully realized by you in considering the suggestion I have made.

4. I shall be glad to be informed of the views of the New Zealand Government on the subject to which I have invited your attention.

The Hon. the Colonial Secretary of New Zealand,  
Wellington.

I have, &c.,  
HENRY PARKES.

#### Enclosure 1 in No. 39.

MINUTE of the POSTMASTER-GENERAL upon an "Extract from the Report of the Postmaster-General (England) upon the proposals of the Postal Conference held at Melbourne."

By a circular despatch of His Grace the Secretary of State for the Colonies, dated the 19th October, 1867, and covering a letter from the Lords Commissioners of Her Majesty's Treasury, and an extract from a Report of the Postmaster-General, the Governments of the respective Australian Colonies are informed that "the Memorial signed by the Representatives of the several Australian Colonies who met in Conference at Melbourne in March, 1867, to consider the question of Postal Communication between Australia and this country (Great Britain), has been duly laid before Her Majesty."

This circular despatch further intimates "that Her Majesty's Government are unable to adopt the views expressed by the Delegates; and it will therefore further remain for the Governments of the Colonies concerned to consider whether they will undertake to provide in future for the postal service between Ceylon and Sydney on the terms mentioned in the Treasury letter."

His Grace also states that, "if this course should be decided on, it will be necessary he should be informed without delay whether it is desired that notice should be given to the Peninsular and Oriental Steam Navigation Company for the termination of the present contract."

Despatches have been received from the Governments of South Australia and New Zealand, dated respectively the 9th January and the 16th March, 1868, requesting to be informed what steps the Government of this Colony intended to take in reference to the subject matter of this circular despatch; but no official communication of a similar nature has been received from the other Colonies.

I have however been informed of a movement which has commenced in Melbourne, and some steps have also been taken by the Chamber of Commerce in Sydney, to bring the subject under the consideration of their respective Governments.

I therefore conceive it to be expedient that the Government should be prepared to adopt some course of action, either singly or in conjunction with the other Australian Colonies.

As a preliminary step, I propose to ascertain the grounds upon which Her Majesty's Government have based their non-acquiescence in the proposals of the Representatives of the Postal Conference at Melbourne.

These are to be found in a letter of the Lords Commissioners of Her Majesty's Treasury, 2nd October, 1867, and are founded upon the Report of the Postmaster-General, dated the 24th August 1867, their Lordships stating that they "are compelled to take a view of the matter differing from the views expressed by the Delegates of the Australian Colonies," and "that they entirely concur in the opinions expressed by the Duke of Montrose."

It will therefore be necessary to examine this Report analytically, to ascertain the views upon the subject entertained by Her Majesty's Government, and which they judged to possess such weight as to compel them to decline complying with the request of the United Colonies, embodied in the Memorial to Her Majesty adopted by their Representatives at Melbourne, and endorsed by their respective Legislatures and Governments; and to present the question more clearly, I shall place the objection and the reply in juxtaposition:—

#### Objection.

1. That the Representatives of the Colonies exceeded their powers, which were intended merely

#### Answer.

It is true that by a strict limitation to the letter of the recommendation of the Imperial Authori-