

The duration of the existing contracts for these several services is as follows :—

P. and O. contract until 31st January, 1880.
 W. I. " " 31st December, 1879.
 Pacific " " 30th June, 1878.
 Halifax and St. Thomas contract until 31st December, 1877.

There is much reason to doubt whether, when those contracts expire, new contracts will be obtainable at rates of payment which will be covered by the revenue collected on the correspondence carried, even if charged at the existing rates of postage, much less if charged at the reduced rates.

On the Pacific, the only competition with the British Company is on the part of the Chilian Government, but even that competition is entirely for local traffic, as the Chilians, while maintaining packets of their own, send all their English mails by the British packets.

Between Halifax and St. Thomas the contract packets are the only steam vessels running regularly.

There are several lines of British steamers running between England and India, and England and China, but none with a branch vessel from Brindisi fitted to a main line from an English port.

It is quite possible that tenders for a complete service may be sent in by other persons than the P. and O. Company, but the service will require a large capital and a considerable number of efficient vessels, and the lowest subsidy demanded will doubtless be largely in excess of the postage revenue received.

In like manner, on the West India line, British steam-vessels, other than those belonging to the Royal Mail Steam Packet Company, run to certain ports, but a mail service which comprises a main line and branches fitted to it both on the outward and homeward voyage can hardly, it is believed, be maintained at a cost much below the amount of subsidy now paid.

In addition to British steam-vessels there are French mail packets twice a month to Calcutta and China, twice a month to Colon, and once a month to a few of the British West India Colonies.

There is also a monthly steamer between Hamburg and Colon, and Spanish steamers between Cadiz and Cuba.

Since the German scheme was received, the Conference at Berne has expressed an opinion in favour of a rate which shall not in any case exceed 6d. per single letter. The additional loss that would follow such a reduction is estimated as follows :—

West Indies	..	{ British, £3,000, increasing total additional loss to £13,200		
		{ Foreign, 4,500, " " 28,000		
Pacific	...	1,200, " " 10,500		
Halifax, Bermuda, and				
St. Thomas	...	25, " " 25		
		£8,725		

General Post Office, 14th February, 1876.

No. 4.

MEMORANDUM for His Excellency the GOVERNOR.

MINISTERS are of opinion that at present it is not necessary to decide whether this colony shall seek to be admitted into the General Postal Union or not.

7th May, 1876.

DANIEL POLLEN.

No. 5.

The SECRETARY of STATE for the COLONIES to His Excellency the GOVERNOR.

SIR,—

Downing Street, 23rd March, 1877.

With reference to previous correspondence on the subject of the General Postal Union, I have the honor to transmit to you, for the information of your Executive Council, a copy of a letter from the Treasury, enclosing a copy of a report from the Postmaster-General, furnishing, in reply to inquiries from the Government of South Australia, information which may be useful in forming an opinion how far it may be for the advantage of an Australian Colony to join the Union.

I have, &c.,

The Officer Administering the Government of New Zealand.

CARNARVON.

Enclosure in No. 5.

The TREASURY to the COLONIAL OFFICE.

SIR,—

Treasury Chambers, 14th March, 1877.

With reference to your letter of the 22nd ultimo, forwarding copy of a despatch and its enclosures from the Governor of South Australia on the subject of the General Postal Union, I am commanded by the Lords Commissioners of Her Majesty's Treasury to transmit herewith copy of a report from the Postmaster-General, dated the 5th instant, and its enclosures, affording information in regard thereto; and I am to request that, in laying the same before the Earl of Carnarvon, you will state to his Lordship that my Lords concur in the suggestion of the Postmaster-General that the purport of his observations should be communicated not only to the Governor of South Australia, but also to the Governors of the other Australian Colonies and New Zealand.

I have, &c.,

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

WILLIAM LAW.