

other services, in addition to the expense of special conveyance of English mails coastwise. At the same time, the benefits of the Torres Straits service have been important in an Imperial as well as a colonial aspect.

It has maintained direct intercourse between the British settlements in India, China, the Eastern Archipelago and the several Australian Colonies. It has supplied monthly communication with the Harbour of Refuge at Thursday Island, a portion of the cost of supporting which has been borne by the Imperial authorities. Its maintenance has not been dependent upon the goodwill of a foreign Power, and, although economical considerations have prevented the adoption of a high rate of speed, it has been frequently availed of by the southern colonies as an alternative service. The contract with the Eastern and Australian Mail Steamship Company expires in October, 1880, and already this Government has instructed its Agent-General to invite tenders for a new contract with a higher rate of speed, viz., 10 knots, which it is believed will be obtained by a very moderate addition to the subsidy.

It is admitted, however, that a speed of 10 knots will be insufficient to make the Torres Straits service a satisfactory alternating one. But with an 11-knot service between Singapore, Brisbane, Sydney, and Melbourne, even the last-named port would be brought within 50 days of London by that route, while, in the absence of the Torres Straits service, fortnightly communication by one or both the other routes would place all the principal ports on the Queensland coast-line at an obvious disadvantage.

Were concerted action determined upon with that object, it is believed that the colonies might obtain fortnightly communication with Europe by alternating services, *via* Melbourne and Torres Straits, at a total cost not exceeding £150,000 per annum. Estimating the gross postages at £100,000, the net cost would therefore be only £50,000 a year, which, equally divided between the mother-country and the colonies, would be an insignificant outlay for postal accommodation of such a character.

I think the Agent-General should be instructed to earnestly press these considerations upon the attention of the Imperial authorities. Also that he should repeat his protest against the proposed retention of postages, on the ground that this colony ought not to be called upon to bear a share of the burden of a foreign mail service from which it derives little benefit, and which it has no special interest in maintaining. He might add that this Government is desirous of assisting to preserve concerted action between the colonies and the mother-country in this matter, but it holds that, if for economical reasons, the Imperial authorities desire to modify their postal arrangements with the colonies, the question should be considered in all its bearings before any additional charge is thrown upon colonial revenues.

Postmaster-General's Office, Brisbane, 9th April, 1879.

C. HARDIE BUZACOTT.

No. 84.

Mr. GRAY to the UNDER SECRETARY, General Post Office, Brisbane.

SIR,—

General Post Office, Wellington, 10th June, 1879.

I am directed by the Hon. the Postmaster-General to acknowledge with thanks the receipt of your letter of the 29th April last, forwarding a copy of the minute of the Postmaster-General of your colony on the circular despatch addressed by the Secretary of State for the Colonies under date of the 17th January last, relative to the proposed retention of postages by the Imperial Government. The paper will, as requested, be treated as confidential until laid before your Parliament.

I have, &c.,

W. GRAY,

Secretary.

The Under Secretary, General Post Office, Brisbane.

No. 85.

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

SIR,—

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

I have the honor to forward to you a copy of correspondence concerning the detention of postage-money by the Imperial Government. I send you also copy of a telegram* which I thought it desirable to communicate to you on the subject.

I hope the arguments I have used will meet with your approval.

I am glad to say that Mr. Forster, the Agent-General for New South Wales, is co-operating with me.

I have, &c.,

JULIUS VOGEL,

Agent-General.

The Hon. the Postmaster-General, Wellington.

Enclosure 1 in No. 85.

Mr. HERBERT to the AGENT-GENERAL.

SIR,—

Downing Street, 29th April, 1879.

With reference to previous correspondence respecting the Australian postal question, I am directed by the Secretary of State for the Colonies to inform you that he has received a letter from the Lords Commissioners of the Treasury, intimating that, on being informed by Mr. Berry that he had reason to believe that a fresh contract might be made with the Peninsular and Oriental Company for a fortnightly service both to Melbourne and Sydney, touching at King George's Sound and South

* *Vide* No. 76.