

deficiency of the fund would therefore be £110,140. This deficiency could be provided for by an increase of the sinking fund of £3,747 per annum for twenty years from the 1st June last.

To cover possible depreciation in value of investments and other contingencies, my Lords would put the required increase of the sinking fund at £4,000 per annum. They therefore request that you will move the Secretary of State to suggest, for the consideration of the Colonial Government of New Zealand, that the half-yearly contribution to the sinking fund should be raised to £12,000 from £10,000.

The Under-Secretary of State, Colonial Office.

I have, &c.,

FRANK MOWATT.

No. 49.

(Circular.)

SIR,—

Downing Street, 31st October, 1887.

With reference to my circular despatch of the 29th June, relative to No. 21. to the proposal that one of the Fiji ports should be made a port of call by the steamers of the projected trans-Pacific mail service, I have the honour to transmit to you, for communication to your Government, an extract from a despatch from the Governor of the colony on the subject.

I have, &c.,

H. T. HOLLAND.

The Officer Administering the Government of New Zealand.

Enclosure.

EXTRACT from a DESPATCH from Sir C. B. H. MITCHELL to the SECRETARY of STATE for the COLONIES, dated Suva, Fiji, 26th August, 1887.

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8. The harbour in Galoa, which I visited on the 21st, appears to me to be inferior, for easiness of access, absence of hidden dangers, and security, to that of Suva. It will be remembered that the Pacific Mail Steamship Company used this harbour as a stopping-place, and it is possible that, if the proposed Canadian and Pacific mail service from Vancouver to Australia were so organized, it would think that, because the harbour had once been so used, it was the best for the purpose. In my Despatch No. 33, of 28th February, 1887, I stated that the choice would probably rest between Suva and Galoa; and, after having seen the latter harbour, I am decidedly of opinion that the former would be more suitable, for the following reasons: (a.) Suva harbour has a clear entrance, is well lighted, and can be entered without danger at any hour of the night without a pilot; Galoa has a dangerous reef in the entrance of the channel, has no lights, and, even if these were established, could only be entered without a pilot during the day. (b.) By the mail route, if taken through the Nanuku Passage and round the north of Batiki, there would be an advantage of eight miles in the distance traversed in calling at Suva instead of at Galoa. If by the Nanuku Channel and the south of Gau, the passage *via* Suva to Sydney would be four miles longer than by Galoa. If the passage through the group were avoided, and a course steered round Ogea, the choice of Suva as the port of call would entail an increased distance of thirty-nine miles over what would be traversed if Galoa were the stopping-place. In each of these cases the distance has been calculated to the point of intersection on the continuing line of the voyage to Sydney. (c.) The establishment of the Solo Rock Lighthouse, in any of these cases, renders the approach to Suva much more easy than it was in the days when the former company went to Galoa, and it would only be reasonable, in the event of the company deciding to call at Suva, that a light should be established at Nanuku or thereabouts, if the course through the group were the chosen one, or at Ogea, if that outside the islands were preferred. (d.) The fact that Suva is now a considerable town, with large stores and with certain facilities for executing minor repairs, would, probably, be considered by the company as giving an advantage to this harbour over that of Galoa, where there is no town.

I should be glad if, in the event of a trans-Pacific line of steamers from Vancouver to Sydney being still under the consideration of Her Majesty's Government, you should deem these remarks of sufficient importance to be communicated to the proper quarter.

No. 50.

(Circular.)

SIR,—

Downing Street, 8th November, 1887.

I have the honour to forward, for the information of your Government, a copy of a correspondence which has passed between this department and the Royal College of Physicians on the subject of leprosy.

I have, &c.,

H. T. HOLLAND.

The Officer Administering the Government of New Zealand.