time almost to double onr present Customs Revenue-besides placing within their reach the advantage of shipping wool, wheat and other produce in return, direct for the Sydney

I am quite aware that a difficulty was found to exisist against carrying out this arrangementin the distance between Sydney via Auckland to Napier and back again, being greater than could be safely performed by one Vessel, including the necessary stoppages, within the month, -but this I imagine could easily have been met, by providing that the Mail and Goods for Napier, brought by Steamer from Sydney to Auckland, should be immediately transhipped on their arrival there, into the "White Swan," which would then proceed to Napier, and take the return Mail with wool or other freights for Sydney on to Wellington, to be forwarded by the Company's Boat, leaving Wellington on 1st as was proposed, and as I imagined agreed to when I was at Auckland, in September last, - and I believe that failing for the present in the direct communication between Sydney and Napier first contemplated, no other plan will prove satisfactory in the meantime, or fulfil the just and reasonable expectations of the Inhabitants of this Province, which, without in any way wishing to make factious or unreasonable complaints, I submit have been entirely overlooked in the "White

Swan's" Contract with the Coleman Company, of 28th September, 1859.

What I would now ask for, is a revision of this Contract if possible, and that in addition to her present engagement of arrival at, and departure from Wellington, the "White Swan" should be required to leave Auckland for this place on or about 19th or 20th of each month, on the arrival of the Inter-Colonial Steamer, taking on the Mail and Goods for this place, and shipping here, any freights for Sydney that would be transhipped by her into the Inter-Colonial Boat that would leave Wellington for Sydney about the 1st of each month. If some such arrangement as this could be effected, and that the freights between Sydney and Napier, and vice versa, were fixed on fair rates, say, 60s. per ton, with a guarantee that the rates of passage money at present existing between the Ports of Wellington and Napier would not be increased, we should be prepared to discontinue the subsidy of the "Wonga Wonga," after 31st instant, and pay to the "White Swan" a contribution of £1000 per annum, in consideration of the Bi-Monthly Service to be executed by her. But as I do not wish to cause any confusion or misunderstanding in this matter by direct negotiations with the owners of the "White Swan," seeing that the extension of the present arrangement now sought for, is in reality on account of the Mail Service of the Province, I venture to hope that the subject will be immediately entertained by His Excellency's Government, and a decision come to without delay—as otherwise we shall be obliged to arrange about the continuance of the subsidy to the * Wonga Wonga," for a further period of twelve months.

I have, &c.,

(Signed) T. H. FITZGERALD. Superintendent.

The Honorable The Colonial Secretary, Auckland.

MR. TANCRED TO SUPERINTENDENT OF HAWKE'S BAY.

(555.)

Colonial Secretary's Office, Auckland, December 7, 1859.

I have the honor to acknowledge the receipt of your Honor's letter, of the 1st instant, on the subject of the existing Mail Steam Service on the East Coast, and pointing out where you consider

the interests of the Province of Hawke's Bay have been overlooked in the present arrangements. In the establishment of a general Mail Steam Service in New Zealand, embracing Inter-Provincial as well as Inter-Colonial Communication, the Government have been guided by an anxious consideration of the interests of the Colony at large, and by a desire, so far as was compatible with that object, to satisfy the various requirements of each Province, and they have carefully abstained in the fulfilment of that difficult task, from any exclusive regard to the interests of any particular

The Province of Hawke's Bay obtains sensible advantages from the present Service, for although it suffers a slight delay in the receipt of Mails from England, it has been brought into such direct and speedy Communication with every other Province, that a reply can be received at Napier, within three weeks from the date of despatch, to letters addressed to any other Province.

The Government, however, would be anxious, so far as they can, to establish, in addition to, and independently of the Service already existing, a second Service as proposed by your Honor, and, for that purpose to take upon itself the payment of the required additional subsidy of One Thousand Pounds.

There are at present two objections to the immediate and final adoption of this plan.

1st. The Government would be acting in opposition to the spirit of the Engagement entered into by them with the Inter-Colonial Royal Mail Steam Company, in subsidising any Steam Vessels but those belonging to that Company. This objection would preclude them from establishing any new Service without the concurrence of the Company.