

propose to draw in the matter of spare gear, to which you particularly allude, and they are also ready to give ample time for carrying out their requirements, considering the difficulties in which you are placed by the demands which all your vessels make upon you at once; but beyond this they cannot go.

I have, &c.,

CROSBIE WARD.

Capt. J. Vine Hall, General Manager,
Inter-Colonial Royal Mail Company,
Sydney.

No. 5.

COPY OF CORRESPONDENCE WITH CAPTAIN VINE HALL AS TO ALTERATIONS IN STEAM POSTAL SERVICE.

General Post Office,
Auckland, 6th May, 1862.

SIR,—

I have the honor to enclose, for your information, copies of a correspondence which has passed between Captain J. Vine Hall, General Manager of the Inter-Colonial Royal Mail Steam Packet Company, and myself, referring to and describing at length certain alterations which have been made by mutual consent in the contract entered into between the Lords Commissioners of the Admiralty and Messrs. Pearson and Coleman, for the carriage of the Australian and New Zealand Mails, dated the 28th May, 1858; and I have to request that you will be pleased to cause the necessary steps to be taken, in order that the alterations may be brought under the notice of the Imperial Post Office.

The changes introduced into the agreement with the Company may be summed up as follows:—

1. That the main service between Australia and New Zealand is to be conducted between the Ports of Sydney and Auckland, instead of between the Ports of Sydney and Nelson.
2. That a subsidiary and additional service is to be performed between Sydney and two ports of New Zealand, subject to conditions which there is little doubt will be fulfilled.
3. That, subject to the same conditions, this Colony will increase the subsidy payable to the contractors by a sum of about £3,000 annually. And lastly—
4. That the Time Table has been re-constructed.

I may be permitted to observe that the re-arrangement of the service now made enhances the postal benefit derivable by the Colony, and, in so doing, improves the communication between the United Kingdom and New Zealand, to establish which the Imperial Government consented to contribute a subsidy of £14,000 per annum, a sum now supplemented by a nearly equal amount from Colonial funds, under this contract alone.

I would further observe that a distinct Inter-Colonial Postal Service is now in operation, supported solely by Colonial funds, connecting the Southern portion of this Colony with the Port of Melbourne. By this route it is estimated that the great bulk of the correspondence, averaging three-fourths of the whole, both between the United Kingdom and New Zealand, and between New Zealand and the Australian Colonies, is now carried, without passing along either that portion of the main line between Melbourne and Sydney or the line partially subsidized by the Imperial Government between Sydney and this Colony.

It is desirable that these facts should be brought under the notice of the Imperial Post Office, as affording a new basis for calculating the proportionate contribution of this Colony to the cost of the main line; and also as affecting materially the question of a re-fund by the Colonies to the Imperial Government of postages received on letters passing between the Australian Colonies and New Zealand.

I have, &c.,

CROSBIE WARD,
Postmaster-General.

The Hon. the Colonial Secretary,
Auckland.

Enclosure 1 in No. 5.

CAPTAIN VINE HALL TO POSTMASTER-GENERAL, NEW ZEALAND.

Sydney,
March 19th, 1862.

SIR,—

From the conversation I had with you this morning I understand that the Government of New Zealand propose to alter the present Mail route next month, placing one of the Inter-Colonial Company's steamers on the Auckland instead of the Nelson line; the Inter Provincial steamer to remain on her present route, but calling at Picton and the Bluff.

It is proposed to subsidize boats for two extra coast services, till the Inter-Colonial Royal Mail Company is prepared to take these lines up.