COPY OF A LETTER FROM THE POSTMASTER-GENERAL TO THE AGENT OF THE INTER-COLONIAL ROYAL MAIL COMPANY, RELATIVE TO REVERTING TO ORIGINAL CONTRACT.

> General Post Office, Auckland, 12th October, 1860.

SIR,-

(No. 286.)

I have the honor to inform you that as the House of Representatives has declined to make provision for the extended Steam Service, as agreed to by the Inter-Colonial Royal Mail Company, under the arrangement made between the Government and your Manager on the 9th April 1859, it becomes my duty to give you the notice required by that arrangement,—namely, that in four months from the date on which you receive the present letter, the Government intend to revert to the original Content of the 20th May 1958, as an extended to the Advisor with

Contract of the 28th May 1858, as entered into by the Lords Commissioners of the Admiralty with Messrs. Pearson, Coleman and Company, for the conveyance of Her Majesty's Mails between Australia and New Zealand, and between the several Provinces of New Zealand, respectively.

On the termination, however, of the present arrangement, the proviso contained in the 6th section of Mr. Edward Coleman's letter to myself (of the 2nd April 1859,) will take effect; and in accordance therewith, the Government will require the Company's steamers to complete the Inter-Provincial link in such manner as to afford a direct monthly communication between the several Ports of the Colony as therein specified.

Regretting, as I do, the above-mentioned determination, as one likely to create considerable public inconvenience, and in consequence very general dissatisfaction; yet, under the circumstances the Government feel that they have no option in the matter; and that it is their duty to give effect as early as possible to the wishes of the House. With a view, therefore, to this object, I should wish to be informed whether the Company would consent to waive their right to a four months' notice, and enter upon the altered service at any earlier date than after the expiration of that term.

I have to request that, in acknowledging this letter, you will certify to me the date upon which you have thus received notice of the intention of the Government to revert to the original contract.

I will address you in a separate communication upon the subject of an alteration in the days of arrival and departure, which will become necessary in consequence of the changes recently made in the arrivals and departures of the English Mail.

I have, &c.,

HENRY JOHN TANCRED.

Robert Coleman, Esq.,

Local Manager of the

Inter-Colonial R.M. Company,

Auckland.