

A Committee of the House of Representatives, appointed during the Session, to consider the question of Inter-provincial Communication, recommended that in order to improve the efficiency of the service then in existence, a fortnightly instead of a monthly trip should be performed between the Marukau and Dunedin, at the same time giving it as their opinion that a bonus of £8,000 per annum would secure the services of two steamers capable of undertaking such a contract.

After various attempts to carry into effect the views of the Committee, it became manifest that the expenses of such a service had been underestimated, and that in the Australian Colonies at least, no Contractor could be found who was willing to enter into such an engagement on the terms mentioned; but in order to provide temporarily for the wants of the Colony, an arrangement was made with the owners of the s.s. "White Swan," to run monthly on the prescribed route for a bonus at the rate of £6,000 per annum, and in the meantime Mr. Sewell, at that time a Member of the Government, proceeded to England with instructions to make the attempt there, and further to endeavour to induce the Imperial Government to establish a Branch Service between the Colony and Australia, as part of the arrangement detailed in the above-mentioned Treasury Minute of 1855.

The result of the negotiations entered into by Mr. Sewell was, that instead of effecting the establishment of two separate services for the maintenance of a communication between Australia and the Colony on the one hand, and the several Provinces on the other, a combined Inter-Provincial and Inter-Colonial Service was contracted for at the aggregate cost of £24,000, whereof £14,000 was paid by the Imperial Government, as the proportionate share of the General Contract, and the remaining £10,000 by the Colony for the Inter-Provincial part of the Contract.

The services to be performed may be shortly described as follows:—One steamer was to be stationed at Sydney and another at Nelson. The former was to leave Sydney on the 10th (the assumed date of the arrival of the English Mail,) and to sail for Nelson, arriving there on the 17th. The Mails for Wellington, Canterbury, and Otago were to be transferred at Nelson to the second steamer, and conveyed in her to their destination, while the steamer which had arrived from Sydney proceeded northward with the Taranaki and Auckland Mails. The two steamers after delivering their mails and receiving the return mails were to meet again at Nelson, the Northern steamer arriving on the 25th, and Southern one on the 1st of the succeeding month, when one of them would proceed to Sydney with the return mails of the whole Colony.

This service, though satisfactory so far, as it provided a regular and direct monthly communication between Australia and each Province of the Colony, was, it must be admitted, open to serious objections so far as the Inter-Provincial Service was concerned.

Leaving the Inter-Colonial Service altogether out of the question, as one which concerned the Imperial Government alone, as charged with the arrangement of, and payment for, the New Zealand Branch of the General Contract, it will be seen that the Colony was called upon to pay £10,000 for an Inter-Provincial Service, while the same service was being performed by the "White Swan" at the rate of £6,000 only. But, besides this greatly increased expense, the new contract had this further disadvantage when compared with that entered into with the Owners of the "White Swan," that, instead of providing for a monthly transmission of mails from one end of the line to the other and back, this was effected only in double that time, owing to the want of correspondence between the two links in the chain of communication.

A short examination of the working of the Time-Table will make this clear.

Supposing a mail to be despatched from Auckland addressed to Dunedin to be carried by the Company's vessels, it would leave Auckland on the 23rd of the month (say January), it would reach Nelson on the 25th, no vessel would leave for the South till after the arrival of the Sydney boat on the 17th February. The Southern boat would not therefore sail before the 18th of February, arriving at Dunedin on the 23rd, and thus the Auckland Mail would arrive at Dunedin exactly one month after its despatch. Under the contract with the White Swan, exactly the same time would have been required for delivering the mails at Dunedin and bringing back answers again to Auckland; so that upon the whole result it will be seen that by this contract the Colony was paying to the Company £10,000 for half the work which was already being performed for £6,000 by the "White Swan."

This was the effect of the contract as it stood, but it is only due to the Agent of the Company to state that, on being made aware of the extreme inconvenience which would be occasioned to the Colony by a strict adherence to the letter of the Contract, this gentleman very liberally agreed, without any further remuneration, to despatch the vessel waiting at Nelson on an intermediate trip to the South, during the interval between the departure of the Inter-Colonial vessel for Sydney, and her arrival with the English Mails.

Even with this improvement, however, considerable dissatisfaction was caused at first on account of the incomplete way in which the Contract, imperfect as it was, was carried out.

It was, indeed, hardly to be expected that a new service of such importance could be immediately organised in all its completeness, or without the occurrence of some irregularities, more especially as considerable delay took place in the arrival of the stipulated number of vessels at their stations by the time specified in the Contract.

The engagement entered into by the Company was that four vessels were to arrive either at Sydney or in New Zealand before the end of the year 1858. The dates of the actual arrival were as follows:—

- The "Lord Worsley," at Otago—October 2nd, 1858.
- "Lord Ashley," at Auckland—October 13th, 1858.
- "Prince Alfred," at Sydney—January 9th, 1859.
- "Airedale," at Nelson—August 4, 1859.

—From this it will be seen, that only two vessels, instead of four, as contracted for, were available for a considerable time after the commencement of the Service