

That the present Australian Postal Service, which recur at intervals of a whole calendar month, is inadequate, and that thereby great loss is sustained by the public, whether from the retardation of intelligence, the delay of remittances, or the consequences of accident.

That a second monthly service will partially remove these evils, and ought to be immediately organized.

That a considerable trade is carried on between Australia and New Zealand on the one part, and the United States and South America on the other; that its further development is checked by the want of direct postal communication, and that the United Kingdom, as the focus to which the transactions of trade ultimately converge, would be greatly benefitted thereby.

That the trade of New Zealand for 1862 exceeded Seven millions sterling, and that it is increasing more rapidly than that of any of the Australian Colonies.

That by the Eastern Route this Colony is excluded from the course of the Australian Post, for the return mail leaves Sydney, the terminus of the line, eight days after the contract time of arrival, and the double voyage between Sydney and Auckland cannot be performed in less than ten days.

That by a Service averaging ten knots an hour from Panama across the Pacific, New Zealand would be brought within forty-eight days, Sydney within fifty-four days, and Melbourne (by means of a distinct branch starting from New Zealand) within fifty-five days of Southampton.

That it is the opinion of practical men, that in the Pacific Ocean vessels of moderate horse power (say 1:6) will give the required average speed of ten knots per hour, and that an annual subsidy of £150,000 a year will support the Service, including the special branch between New Zealand and Melbourne.

That more than one half of the subsidy is guaranteed by act of appropriation, viz. :—£50,000 a year by the Parliament of New South Wales, and £30,000 a year by the Legislature of New Zealand.

That the establishment of a Postal Service via Panama, was recommended twelve years ago by a Committee of the House of Commons.

That Her Majesty's Government has at various times announced its intention of carrying that recommendation into effect; that in the year 1859 the Treasury deliberately and expressly acknowledged that the Service ought to be forthwith organized,—that it communicated to the Government of New South Wales the conditions under which its acquiescence and support would be accorded, and that the fulfilment of these conditions entitles that Colony to claim the performance of the engagement entered into.

That the relative importance of the Eastern Colonies, as measured by correspondence, commerce, and population, has been steadily progressive, and that as the Service *via* Suez is most favourable to the Southern Colonies, the interests of the other Colonies ought to determine the route of the second Service.

That Sydney is the only Australian Port at which large Ocean Steamers can be docked and repaired, and that consequently it must practically be the terminus of the Trunk Line, both on the Eastern and on the Western Route.

5, Cannon-street, London, E.C.,

9th June, 1863.

[Here follow 97 signatures.]

No. 18.

Inter-Colonial Royal Mail Steam Packet Company, Limited,

Offices, 41, Moorgate Street, London, E.C., July 8th, 1863.

MY DEAR SIR,—

Absence from Town has prevented my acknowledging the receipt of your esteemed favour of the 25th ult., ere this.

The Company will be quite prepared to undertake the entire Mail Service of the Colony, and the Directors, I feel sure, will be glad to do all they possibly can towards arranging a solid contract for that purpose.

They have been hoping all along that the Government would not adopt the very unusual course of terminating the Contract before the expiration of the full term of 10 years—in fact, its continuance for that period has always been regarded as a matter of certainty.

If, however, it is thought desirable, with a view to avoid unnecessary complication, and in order to place the service on a more satisfactory footing, to put an end to the original contract in November, 1865, and to make an entirely new one, I doubt not that the Directors would readily acquiesce in that course.

Captain V. Hall has already been written to on the subject, and I hope we shall be able to come to some definite understanding before you return to New Zealand.

I assume that it would not be necessary for us to wait until November, 1865, before commencing the Melbourne and Otago Line; but that the Government would allow us to take it up some time next year, as I believe the Contract with Messrs. McMeckan, Blackwood, and Co., can be terminated in June, 1864.

It may, perhaps, not be altogether out of place for me to mention that, although the Company has now been in operation nearly five years, the expectations originally formed as to the