

12th September next. In accordance with the desire expressed by the House of Representatives in its last session, the mail service between Sydney and Auckland, by which the Suez Mails for the latter place were conveyed, has already been discontinued. The following Table will show the subsidies paid for inter-colonial mail services during the past five years.

STATEMENT of SUBSIDIES payable under Contracts for Inter-colonial Mail Services at the date of the Postmaster-Generals' Reports, from 1863 to 1868.

				£	s.	d.
1863	...	...	...	26,000	0	0
1864	...	...	...	36,000	0	0
1865	...	...	...	35,116	13	4
1866	...	...	...	21,675	0	0
1867	...	...	...	11,700	0	0
1868	...	...	...	6,000	0	0

Inter-provincial Services.

The number and the cost of the inter-provincial services have also been considerably reduced, and they are now almost confined to those which are indispensable for the collection and distribution of the European Mails. It has always been found difficult, with a due regard to the main object for which these services are maintained, so to arrange the Time Table as to furnish also a regular and convenient Postal Service between one part of the Colony and another; I need hardly add that since the new arrangement for the Suez service has come into operation this difficulty has become an impossibility. The inter-provincial services are performed in about equal shares by the New Zealand Steam Navigation Company, and the Panama New Zealand and Australian Royal Mail Company. Notice has been given for the termination of both contracts in September next. The subjoined Table will show the sums now paid for these services, as well as those paid in previous years.

STATEMENT of SUBSIDIES payable under Contracts for Inter-provincial Mail Services at the date of the Postmaster-Generals' Reports, from 1863 to 1868.

				£	s.	d.
1863	...	...	...	23,300	0	0
1864	...	...	...	27,328	0	0
1865	...	...	...	33,729	0	0
1866	...	...	...	29,669	13	4
1867	...	...	...	14,000	0	0
1868	...	...	...	8,400	0	0

THE MELBOURNE POSTAL CONFERENCE.

The decision of Her Majesty's Government upon the proposals emanating from the Postal Conference held in Melbourne during the last year, were communicated to your Excellency's predecessor in a despatch from the Secretary of State of the 19th October, 1867. That decision was adverse to the proposals of the Conference.

A communication has been addressed by the New Zealand Government, to that of New South Wales, with a view of ascertaining whether any, and if so, what steps are in contemplation by the Governments of the Australian Colonies in view of the position in which this question now stands. No answer has yet been received to that communication, and looking at the extent to which regular postal communication with the mother country and Europe is already provided for New Zealand by the existing contract with the Panama Company, I do not see that unless invited by one of the Australian Governments, this Colony is at present called upon to take any active steps in the matter. The contract with the Peninsular and Oriental Company for the mail service between Galle and Sydney is terminable by two years' notice, but as this notice has not yet been given no change can be effected, except with the concurrence of the Company, before July, 1870.

MISCELLANEOUS.

The numerous changes which have been effected in the Postal Services of this Colony since the *New Zealand Postal Guide* was last published, have rendered the issue of a new edition very desirable. This has for some time been in preparation by the Inspector of the Post Office, and will I hope be ready for publication at the same time as this Report. It will contain a large amount of useful information, not only with respect to the arrangements of the Post Office Department in the Colony and to the Colonial and Foreign Mails, but also with respect to the New Zealand Telegraph Service, which is in many cases advantageously combined with that of the Post Office.

JOHN HALL,
Postmaster-General.