

A special agreement should be entered into with the Colony of New Zealand with reference to the amount of its contribution towards the Panama line. Should these views coincide with those of the Members of the Executive Council, it would be desirable that a special reference should be made to the Governments of the adjacent Colonies, and their concurrence requested. Should they express their willingness to adopt the scheme thus sketched out, I shall then be in a position to communicate on the subject with the Secretary of State, and to seek the concurrence of the Imperial Government.

W. DENISON.

PROCEEDINGS of the Executive Council with respect to Steam Postal Communication with England.

[Extract from Minute No. 58-34, dated 23rd August, 1858.]

Present:—

His Excellency the Governor General,
The Honorable the Vice-President of the Council,
The Honorable the Colonial Treasurer,
The Honorable the Secretary for Lands and Public Works.

In reference to the Proceedings of the Council at their two last meetings on the subject of Steam Postal Communication with England, His Excellency the Governor General now lays before the Council a Despatch which he has received by the "European" from the Right Honorable the Secretary of State for the Colonies, transmitting the copy of a Letter from the Secretary to the Treasury, announcing the dissolution of the present contract with the European and Australian Royal Mail Company, and reporting the temporary arrangement which it is proposed to make for carrying on the Mail Service with Australia, until a new contract can be entered into, of a more permanent character.

2. His Excellency at the same time lays before the Council a Letter from Champion Wetton, Esquire, the Agent of the said Company, to a somewhat similar effect, but stating that an arrangement had actually been entered into with the Royal Mail Steam Packet Company to carry on the service for six months, from the 1st July last.

3. In their previous deliberations upon this question, the possibility of a dissolution of the contract was not unforeseen by the Council; and the practical effect of the present communication is simply to place them in a position to take more decided action towards carrying out the views recorded at their last meeting, which were in fact based upon, and intended to meet, such a contingency as that which has now arisen.

4. There is one point, however, yet untouched by the Council, upon which it appears to the Governor General very desirable that some determination should be arrived at without delay, viz.,—whether the Government in making a contract for the conveyance of the Mails is bound, or indeed entitled, to mix up this question with that of the conveyance of passengers and goods; and in a Minute reviewing the whole subject, His Excellency now submits this point for the consideration of the Council, and also suggests, that in lieu of communicating the result of their deliberations to the adjacent Colonies in writing, as previously recommended, a special envoy should be accredited for the purpose, and despatched to Melbourne with full instructions as to the course which he is to adopt, should the views of the Government of Victoria coincide with those of the Government of New South Wales, or be such as can be acceded to.

5. With regard to the first matter, the Council concur with his Excellency in thinking, that all the Government are called upon to consider is, how to get the Mails conveyed in the most rapid and effective manner, consistent with a proper economy; and they therefore record their deliberate opinion that in any new contract or contracts for the conveyance of the Mails, either by Suez or Panama, a Postal Service only should be provided for, as it would not, they believe, be wise on the part of the Government to make any stipulation as to the size of the Vessels or the amount of accommodation. These are points for the determination of the contractors, who will, if they consider the passenger and goods traffic likely to prove remunerative, make the necessary arrangements for its accommodation.

6. With regard to the second matter referred to in His Excellency's Minute, the Council are disposed to adhere to their former recommendation,—that the general views of this Government upon the whole subject should be communicated to the adjacent Colonies by the Honorable the Colonial Secretary; and as the provisional arrangement for the conveyance of the Mails is to cease in six months from the 1st July, they are of opinion that no time should be lost in adopting this step, and such other decided measures for the establishment of a Postal Communication by Panama as may be deemed expedient.

What those measures should be the Council now proceed to consider.

7. In the first place, it is absolutely necessary that the Government should be in a position to carry out the specific arrangement for this line, recommended at their last meeting; and with this view they advise that His Excellency the Governor General should at once submit to the Legislature the whole of the propositions then agreed to, and invite the Assembly to appropriate, by an Act, any sum not exceeding £50,000 a year, for seven or ten years, for the purpose of initiating the said line.

8. In the next place, it is also necessary that the co-operation of the Imperial Government should be secured to the scheme; and the Council accordingly recommend that His Excellency should transmit to the Secretary of State, by next Mail, a Despatch fully explaining the views of the Government of this Colony upon the whole subject, and the steps already taken to carry out those views, which Despatch should be accompanied by a copy of the Bill above referred to, either as submitted to, or passed by the Assembly, as the state of the case will allow.