

The Government have arrived at the conclusion, that, so far at least as this Colony is concerned, the slight additional convenience which Passengers would derive from a through line, is not a reason for subjecting the Colonies as a whole, to the additional sacrifices both as regards cost and regularity of communication at which this benefit would be purchased.

It is therefore proposed that the Government should give their support to any measure for doing away with the present separate Service, and for making the Australian line a branch of the main Indian line. Of course neither New Zealand, nor probably any single Colony, is in a position to act independently of all the rest, and whatever course is finally determined upon can only be adopted in concert with others. It appears that, in this matter, the interests of New South Wales are almost identical with ours; and it becomes a question whether it will not be our wisest plan, with a view of facilitating any negotiations which may take place, to pledge the co-operation of New Zealand in any plan to which that Colony may give its adhesion.

In considering modes of communication with the Mother Country, the question of the Panama route must not be lost sight of.

Hitherto the negotiations for the establishment of this line have not had any practical result; and for the present, all action in the matter on the part of the Home Government appears to be indefinitely suspended. Tenders have indeed been called for; but it has been officially announced that no Contract will be entered into until the Committee appointed by the House of Commons to consider the whole question of Postal and Telegraphic Contracts, shall have presented their report. It is, however, reported that the Australian and Pacific Mail Company, has made an offer to convey the Mails between Australia and Panama, monthly, for a subsidy at the rate of £75,000 per annum, the contract to be an experimental one, and terminable at the end of 18 months.

The advantages to New Zealand of the establishment of this line are at once obvious.

1st. It would allow of Letters from England being answered by the return Mail, at present they can only be answered by the next Mail but one after arrival; the interval between the arrival in Australia by the Suez route, and the departure of the return Mail being too short to allow of any communication being made in the meantime to New Zealand.

2nd. It would do away with the necessity of maintaining the present Inter-Colonial lines of Steamers between New Zealand and Sydney.

3rd. It is calculated that a more rapid communication with the United Kingdom would be afforded by this route than by that *viâ* Suez.

It will become a question for future consideration, in case this second Service is established, whether it would be worth while for New Zealand to contribute at all to the Suez line; or whether it would not be the wisest plan for each of the Colonies to contribute to the support of that line in which it is most interested. Should this division of burdens be agreed upon, it is probable that New South Wales, Queen's Land, and New Zealand would be called upon to support the Panama line; while Victoria, South Australia, Western Australia, and perhaps Tasmania, would support that by Suez. This may perhaps theoretically be considered a mere matter of detail, though in practice, it is not unlikely that the determination ultimately arrived at, may hinge upon the manner in which this point is settled. In any case it seems probable that the two Services might be maintained at a cost, little, if at all, exceeding the present expense of the single line.

(Signed) HENRY JOHN TANCRED.

## DESPATCHES FROM SECRETARY OF STATE.

COPY OF A DESPATCH FROM THE RIGHT HON. SIR E. B. LYTTON, BART., TO GOV. GORE BROWNE, C.B.

Downing-street,  
17th June, 1858.

SIR,—

No. 4.

I transmit to you herewith for your information, with reference to previous correspondence on the subject, a copy of a Letter from the Admiralty, with copies of the Contract entered into with Messrs. Pearson, Coleman, and Co., for the conveyance of Her Majesty's Mails between Australia and New Zealand.

Governor Gore Browne, C.B.,  
&c., &c., &c.

(Signed) I have, &c.,  
E. B. LYTTON.

HON. H. CORRY, TO UNDER SECRETARY FOR THE COLONIES.

Admiralty,  
14th June, 1858.

SIR,—

[Enclosure.]

I am commanded by the Lords Commissioners of the Admiralty, to transmit to you for the information of Secretary Sir E. Bulwer Lytton, the accompanying copies of a Contract entered into