

cleaned. The room, however, where it stands is far too small to allow of it being made use of; and a room of considerable dimensions will be required for this purpose.

Buildings,

The increase in the business of the Department which is steadily taking place will soon create a necessity for increased accommodation. In Auckland, especially, the work of this Department is rapidly outgrowing the provision made for it.

At Dunedin the Postal Service has been separated from that of Her Majesty's Customs—both by the appointment of a separate Postmaster, and the occupation of a distinct building.

At Lyttelton and Christchurch the Post-Office buildings have been considerably enlarged, and, (as well as the one above mentioned,) provided with private boxes.

At Napier the work of the Department is still carried on in conjunction with the Customs.

The New Plymouth correspondence has greatly increased, probably in consequence of the addition made to the population by the large number of troops stationed there; and it has become necessary to rent an additional room.

Conveyance of Mails by  
land. Northern Island.

The West Coast Service previously existing between Wellington and New Plymouth, having been interrupted by the stoppage of the Mail in March by the insurgent Natives, and not having been since resumed, is now restricted to the conveyance of Mails between Wellington and Whanganui. The only continuous line of overland communication between Auckland and Wellington has thus been severed; but it is proposed to restore it by the establishment of a new line along the East Coast by way of Napier.

A mail is already running fortnightly between Wellington and Castle Point to the South, and weekly from Napier to Porangahau on the North; the establishment of a line between these two points (an estimated distance of about 50 miles), will complete the only link still wanting to make the continuation between Auckland and Wellington once more continuous. Tenders are being invited for this service.

Middle Island.

A bi-monthly Overland Mail has been established between Picton and Christchurch, in connection with the steamer subsidized by the Provincial Government of Marlborough, and plying between Nelson, Picton, and Wellington. This service (the history of which does not, however, belong to the past year), commenced on the 10th January from Blenheim, and on the 1st February from Christchurch. The times of departure from, and arrival at, the two ends of the line are so arranged as to correspond with the arrivals and departures of the Inter-Colonial and Inter-Provincial steamers at the ports of the Provinces of Nelson and Canterbury. For example, the Inter-Colonial steamer arrives at Nelson from Sydney with the English Mail on the 24th of every month. The Picton steamer leaves Nelson in time to arrive at the former place by the 26th, when the overland mail starts, arriving at Christchurch by the 5th of the following month. The Inter-Colonial steamer, in the meanwhile, reaches Canterbury from the South on the same day, and leaves on the 7th. The result is that persons living on the line of road can receive their letters brought by the Inter-Colonial steamers, and forward answers immediately; not by the same route, but by sending them on to Christchurch, whence they would be forwarded to Lyttelton in time to meet the steamer going North with the mails for England.

The difficulties of the road, and the time occupied in performing the journey, do indeed make a complete correspondence between the two mails, overland and seaborne, a problem of considerable difficulty; but, at least, it may be assumed that what has been done contributes very sensibly to the convenience of the settlers residing in the country between Nelson and Christchurch, as they can now feel sure that at certain times they will be able to communicate with other parts, without the necessity of themselves making a journey for the purpose.

From Christchurch the mail is continued fortnightly to the Waitangi and Dunedin, whence a mail starts weekly to Clutha Ferry; and thence is continued fortnightly to Riverton beyond Invercargill, on which latter section it is intended shortly to establish a weekly service; so that there now exists a continuous line of overland communication from Picton in the North to Riverton at the Southernmost extremity of the Island.

It seems hardly necessary to enter into a detailed account of the other overland services—a complete summary of which is given in the Appendix B.

Foreign Correspondence.

The Return given in Appendix G shews the number of Letters despatched to parts beyond the Colony, and the places for which the Mails were made up respectively.

With regard to one part of the Foreign Correspondence, viz. that carried by the steamers under contract to the Admiralty for the conveyance of the New Zealand Inter-colonial and Inter-provincial Mails,—a claim has been made by the Imperial Government for a refund of a certain portion of the Postage received. It is contended that, inasmuch as the contract between the Admiralty and the Pearson and Coleman Company for the conveyance of the New Zealand Mails was established by the Imperial Government without previous consultation with the rest of the Australian Colonies, it could not be considered as a part of the general contract for the Mail Service of these Colonies, as sketched out in the Treasury minute of 1855;—but that it must be treated as a separate arrangement between New Zealand and the United Kingdom.

Upon this view of the matter, the Imperial Government alone, it is said, became liable for the expense of the Inter-colonial Service, amounting to £14,000; and, as some set off against this liability, is entitled to a portion of the Postage on Letters conveyed between New Zealand and the Australian Colonies, by vessels employed in the contract. That portion has been fixed after the rate of fourpence on every sixpence so received.