

"Aldinga" picks up the Southland portion of the Mail at the Bluff, and arrives at Melbourne before the departure of the P. and O. Company's Boat on the 26th. The Steamer which leaves Nelson on the 13th for Sydney, reaches Nelson on the 1st, and proceeds on an inter-provincial trip to Wellington and Canterbury (soon to be extended to Port Chalmers), and returns via Lyttelton to Nelson. The Steamer which leaves the Manukau on the 24th with the Taranaki, Nelson, and Marlborough portions of the English Mail, goes on to the Bluff and back to Manukau, calling at each intermediate port both ways, reaching Nelson before the departure of the Steamer for Sydney on the 13th.

Two small Steamers—the "Wonga Wonga" and "Storm Bird"—are also subsidised to run between Wellington, Napier, and Auckland; and between Wellington, Whanganui, Taranaki, Raglan, and Auckland.

An arrangement has been recently made with the New Zealand Steam Navigation Company for one of their vessels to run on the line between Wellington and Dunedin, leaving Wellington about the 5th and 20th, and Dunedin about the 10th and 25th of each month—being intermediate dates between the departure of the Inter-colonial Company's Boats. The time tables of the small Steamers running along the East and West Coast of the Northern Island, will be adjusted so that one or other will reach Wellington before the 5th and 20th, thus giving weekly communication between all the principal Provinces of the Colony.

Complicated as this arrangement may appear to be, it really works smoothly and well. The only hitch that has been felt is in reference to the Contract with the "Aldinga," of which separate mention will be made, and that it is hoped is now remedied.

The whole New Zealand service, Inter-colonial and Inter-provincial, is performed by nine Steamers, and at the following cost:—

Contribution to Main Line	£10,000	0	0
Line between Melbourne and Otago—"Aldinga" Contract ...	13,000	0	0
*Line between Sydney and Auckland, and Sydney and Nelson ...	19,000	0	0
Line between Nelson and Dunedin, via Wellington and Canterbury	1,600	0	0
Line between Wellington and Auckland, via Nelson	2,400	0	0
Line between Wellington and Auckland, via Napier	1,800	0	0
Line between Wellington and Dunedin	1,500	0	0
Line between Auckland and Dunedin, via East Coast	7,000	0	0
Line between Manukau and Bluff	9,000	0	0
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	£65,300	0	0

THE "ALDINGA" CONTRACT.

A contract was made with the "Aldinga" commencing in January of this year, the object of which was, by means of a single fast boat, to convey the English Mail from Melbourne to Dunedin, and *vice versa*, between the dates of its arrival at, and departure from, Melbourne, to secure for Dunedin the great advantage of replying to letters by return of post. Vide Appendix, p. 12.

Practically, this has failed, in consequence of the Peninsular and Oriental boats not having been true to their due dates of arrival at Melbourne. Considering the distances they have to travel, and the numerous contingencies to which such a service is liable, it is scarcely reasonable to expect that they should keep their time to a few hours. The "Aldinga" has never, up to the present time (August), brought the European Mail from Melbourne to Dunedin. The other half of the Service she has performed most satisfactorily. Leaving Port Chalmers on the 18th, she has never failed to arrive at Melbourne in time for the Peninsular and Oriental Company's boat, which leaves on the 26th.

Considerable public inconvenience was felt from the unpunctuality of the arrival of the Mail at Dunedin, and steps have been taken to remedy this, by offering a bonus of £350 per trip to any steamer which shall bring on the Mails within twenty-four hours of their arrival in Melbourne, when late and left behind by the "Aldinga." In August, the "Aldinga" left on the 10th, the English Mail arrived on the 12th, and, twenty-four hours after its arrival exactly, the "Alhambra" left Hobson's Bay, with it on board, for Dunedin. The Postmaster-General at Melbourne has also been authorised to guarantee, on behalf of this Colony, such subsidy as he may think right to the first steamer leaving, to bring on the mails, should no steamer happen to be ready to leave within twenty-four hours of their arrival. The correspondence with McMeckan, Blackwood, and Co., and with the Postmaster-General of Melbourne, on the subject of the "Aldinga" contract, is given in the Appendix to this Report.

WRECKS.

The casualties that have occurred since the date of the last Report to Mail steamers are two, both of them total wrecks; but, fortunately, by neither was there any loss of life. The "White Swan" was wrecked June 29th, 1862, on the East Coast, about eighteen miles South of Castle Point; and the "Lord Worsley" was wrecked on the West Coast, at Te Namu, September 1st, about thirty-five miles South of Taranaki.

* Of this sum £13,000 is paid by the Imperial Government. The service from Wellington via Whanganui and Raglan to Manukau is temporary only, and at the rate of £200 per trip.