

The loss of these vessels has been severely felt ; they were both powerful and excellent sea-boats. The loss of the "White Swan" for a time completely deranged the Inter-provincial Service. The "Lord Worsley" was one of the best boats belonging to the Inter-colonial Company, and it is only due to the great exertions made by Captain Vine Hall, the Company's Manager and representative, that the loss of that vessel was not of more serious consequence to the Colony than it has proved to be.

Neither of these vessels was lost in bad weather. The "White Swan" was wrecked in a dead calm, just as the morning dawned, by striking on the point of a reef which ran out some little distance from the shore. She had been hugging the coast during the night, for the purpose of making a quick passage from Napier to Wellington, and she hugged it somewhat too closely. The "Worsley's" loss arose either from bad steering, or incorrect compasses, probably from the latter cause.

THE INTER-COLONIAL COMPANY'S FLEET.

Every effort has been made by Captain J. Vine Hall to improve the steamers belonging to the Inter-Colonial Company ; and the improvements which he has effected are recognised by the Public.

The Prince Alfred and the Lord Ashley have each received a thorough overhaul and refit, and both these vessels are now in a very satisfactory condition. Three new steamers have been lately added to the list : the Claud Hamilton, the Auckland, and the Phoebe. The Claud Hamilton is a vessel of inferior speed. She has not been accepted as a contract boat. She has been allowed to run between Sydney and Auckland as a supplementary vessel until a more powerful boat could be placed on the line ; she has, however, performed the voyage in six days, and rarely if ever exceeded seven. The necessities of the service have been occasionally so great that the Claud Hamilton has been obliged more than once to undertake an Inter-Provincial trip ; but for the coasting service she is utterly unfit.

The Auckland is a very recent arrival. She has been accepted in England by the Admiralty as a contract boat, but she failed to keep her time on her voyage to Otago and back in August. This is sought to be explained on the ground that no time was allowed at Sydney after the long voyage from England for cleaning and refitting. She is to go to Sydney for this purpose after the September trip to Dunedin, when Captain Johnson the Inspector of Steamers will test her speed and report on her general fitness as a sea boat. The Phoebe bears an excellent character, and is said to be a very fast boat. She has not yet, however, been put to the practical test in this Colony. It is to be hoped that she will fully realise all that is expected of her. She takes the place of the Airedale in the Inter-Provincial service from the Manukau to the Bluff.

The Airedale is to go to Sydney for the purpose of undergoing a thorough overhaul and being supplied with new boilers. This vessel has done an enormous amount of work and done it well, she is a general favourite with the public. Much of the satisfaction which she has given is due to the very able way she has been handled by her energetic and courteous commander, Captain A. Kennedy.

The past year to the Company has been one of refit. Their vessels, never perfect, were allowed in the first instance to get sadly out of order, and it was not until Captain J. Vine Hall took the management, that any attempt was made to place them on the footing required by the Contract. Next year it is expected that both the Public and the Company will reap the benefit of Captain Hall's efforts to render the Service satisfactory both as regards the speed of the vessels employed and their convenience for Passenger accommodation.

THE PANAMA ROUTE

During the Session of the General Assembly held in the year 1862, considerable desire was expressed that Postal communication should be opened between this Colony and England via Panama, because it is at least 2,000 miles shorter than the Suez line, because the course of Post would cover four months instead of five, with ample time for replies, and because New Zealand (in the event of its establishment) would be the first instead of the last of the Australasian group of Colonies in its receipt of intelligence from Europe.

A Bill was passed by the Legislature authorising the Colonial Treasurer to issue from the 1st January, 1864, any sum not exceeding £30,000, as the contribution of this Colony towards the Panama route. At the end of last year Mr. Crosbie Ward, as the Representative of the New Zealand Government, left for London in the hope of obtaining the assistance of the Imperial Government in a work which, on this side of the world at least, was thought to be of such importance to Imperial interests as fully to warrant the Home Government in giving its countenance and support. The Government of New South Wales was perfectly willing to co-operate with New Zealand, and it placed £50,000 at the disposal of Mr. Hamilton, the representative of that Colony in England, for the purpose.

Melbourne declined to contribute anything, and used all the weight of its power and influence to oppose and frustrate the design.

Up to the last dates Messrs. Hamilton and Ward had been quite unsuccessful in their efforts to induce the British Government to afford any pecuniary assistance.

It remains now only to be seen whether, with the £80,000 at their disposal, these gentlemen will be able to arrange a monthly service via Panama. All that can be said about it at present is, ~~that~~ such a project is not utterly hopeless.