

A communication has been received from the Imperial Government, as may be seen by the correspondence in the Parliamentary Papers published for the information of members, inviting the Australian Colonies to unite in the establishment of a fortnightly communication when the present monthly service, about to expire, should be at an end, but it was clogged with such conditions, and offered for consideration and acceptance at so short a notice, as to leave the Government no alternative but to decline to become a party to it. It was intimated to the Government at the same time that, in the opinion of the British postal authorities, it was desirable that the rate of postage should be raised; and it was further noted that whether this proposition was adopted or not by the Colonial authorities, the power to increase the rates of postage on letters from the United Kingdom to the Colonies, was reserved by the Imperial Post Office. The existing contract with the Company expires on the 12th February, 1866.

The contributions of New Zealand to this line amounted, for the year under report to £16,771 12s. The obligations incurred for this service during the past six months have been met by remittances, and there is every prospect that the whole of the arrears (being the accumulations of past short payments) will be cleared off by a remittance to the Home authorities by the outgoing mail in August next.

INTER-COLONIAL STEAM SERVICE.

The Inter-Colonial services are performed by steamers belonging to the Panama, New Zealand, and Australian Royal Mail Company, and the Otago Steam Ship Company; the former running between Auckland and Sydney, and Nelson and Sydney, at an expense of 8s. 10½d. and 4s. 2½d. per mile respectively; and the latter, running between Otago and Melbourne, at 5s. 7d. per mile. These services are performed monthly each way at an aggregate expense of £29,850 per annum, in addition to a small sum payable, when necessary from the late arrival of the English mail at Melbourne. The distance traversed by these steamers amounts to 91,872 miles in the year. The Imperial Government pay towards this service the sum of £8300 per annum, which payment will terminate in November next. These lines are in connection with the Suez mail service, to which contributions are made by the Colony in proportion to the number of letters conveyed, and for which during the past year the sum of £16,771 12s. 0d. became due.

INTER-PROVINCIAL STEAM SERVICE.

The Inter-Provincial services are so arranged that a steamer arrives and departs from Port Chalmers, Lyttelton, Wellington, and Auckland every fifth day; and at and from the Bluff, Picton, Nelson, Taranaki, and Napier every tenth day. Two services are performed from the South along the West Coast of the Northern Island, by the Panama, New Zealand, and Australian Royal Mail Company, and one by the New Zealand Steam Navigation Company, at a total expense of £19,094; viz., for the former, of 5s. 9d. and 6s. 11½d. per mile, and for the latter of 3s. 10½d. per mile. Two services are similarly performed along the East Coast of the North Island by the New Zealand Steam Navigation Company, and one by the Panama, New Zealand, and Australian Royal Mail Company at a total expense of £14,634; viz., for each of the former 3s. 10½d. per mile, and for the latter 4s. 11½d. per mile.

The distance traversed by these steamers amounts to 138,096 miles per annum. The aggregate expense of these services is £33,729 being at an average rate of 4s. 10d. per mile. The skilful navigation of all the vessels employed in the Inter-Colonial and Inter-Provincial services has been evidenced by the fact that no wrecks have occurred among them during the year.

POST OFFICE SAVINGS BANKS.

No further steps have been taken during the period which has elapsed since the publication of the last Report, in the direction of the establishment of Post Office Savings Banks; the subject has, nevertheless, not been lost sight of. The immediate urgency of such an establishment is in some measure done away with by the existence of Savings Banks under Government supervision in all the great centres of population. The subject requires more thorough investigation, with a view to the preparation of a Bill suitable to New Zealand, than the more pressing demands on the attention of Government will at present admit of. Before very long it may be deemed necessary that the whole of the financial arrangements of the Colony should be revised, when the subject might be more appropriately introduced, and it is to be hoped that the delay will not be of long duration. The Postmaster General of the United Kingdom in his tenth Report, passes a high encomium on the system, when he says,—“Post Office Savings Banks have stimulated the growth of prudent and frugal habits,” and “that in two years and a-half from their establishment the depositors were 372,000, and the sum deposited £4,000,000.” There will not be, as might be apprehended, any jealousy on the part of banking institutions, for the experience of Great Britain evidences that there has not been in consequence of their establishment any decrease in the profits of the old banks.

MONEY ORDERS.

The Money Order department of the Postal Service has continued to work very satisfactorily under the able supervision of the Auditor General. It has now been transferred to the Postal Department.