

Mr. Wilson and Captain Hamilton, whom I have just consulted on the subject, and myself, will, however, take upon ourselves to consent to the clause relating to the 'Claud Hamilton' being expunged, if the concession will induce you to settle the matter without further negotiation. £9,000 a-year is little enough for the Auckland line, particularly if worked with expensive Boats like the 'Prince Alfred,' 'Auckland,' and 'Otago.'

I have, &c.,

JAS. WORLEY.

The Hon. Crosbie Ward, Esq.,
&c., &c.

No. 36.

Inter-Colonial Royal Mail Steam Packet Company (Limited),
Offices, 41, Moorgate Street,
London, E.C., October 23rd, 1863.

MY DEAR SIR,—

In reply to your esteemed favour of the 21st inst., and in reference to the conversations held between us, and between yourself and Mr. Wilson, which were communicated to the Board at their meeting to-day, I have to state that as you were not prepared to promise the acceptance of our tender, if the condition relative to the Sydney and Auckland Service were withdrawn, the Directors have deemed it inexpedient to make any modification on this point, beyond expunging the clause respecting the 'Claud Hamilton.' But had the suggestion made by you been put in such a form, that compliance therewith on the part of the Board would have brought our lengthened negotiations to a satisfactory termination, they might have been induced to give way.

Having again carefully considered the entire question, the Directors are of opinion that, under the circumstances, it will perhaps be better that the alternative course you have suggested should be carried out, viz., that the tender submitted by the Board should be referred to the New Zealand Government for their approval, before anything is definitely settled. This would afford ample opportunity for such arrangements to be made in reference to existing services as would be satisfactory to both parties.

It is assumed that you would be willing to recommend to your Government the acceptance of our offer.

The proposed modification respecting the simultaneous commencement of the Panama Service at both ends, and the rates for passengers, &c., &c., could be agreed to.

I remain, &c.,

JAS. WORLEY.

P.S.—According to the Sydney papers, there appears to be every prospect that the bi-monthly service *viâ* Suez, will be established, as New South Wales seems willing to contribute towards it.

J. W.

The Honourable Crosbie Ward, Esq.,
&c., &c.

No. 37.

London, 20th October, 1863.

SIR,—

I have the honour to inform you that the negotiations which have for some time been in progress for the establishment of a line of mail steamers between Panama and New Zealand and Sydney under contract with the Government of New Zealand are now nearly completed, and ready to be embodied in a contract.

I have now accordingly to request the permission of the Postmaster-General to consult the Solicitor to the Post Office in the matter, and to obtain his assistance in preparing the contract, in order not only that the colony may have the advantage of his professional skill and experience in an enterprise so important as the present, but also that the fullest opportunity may be given for the suggestion by Her Majesty's Post Office of conditions calculated to satisfy the general requirements of the Postal Service.

I have, &c.

CROSBIE WARD.

The Secretary, General Post Office,
St. Martin's le Grand.

No. 38.

General Post Office,
26th October, 1863.

SIR,—

I am directed by the Postmaster-General to acknowledge the receipt of your letter of the 20th inst., and to inform you that his Lordship has desired Mr Ashurst, the Solicitor to this