

Government of New Zealand, in respect of present voyage of the "White Swan," which commenced from Auckland on the nineteenth September instant, shall be divided equally between the Inter-Colonial Royal Mail Company and the owners of the "White Swan."

13th. Each party hereby mutually agrees that no Vessel, or Vessels of the other, shall be allowed to trade, or proceed beyond the limits described and defined in this Contract, and for any breach hereof, the party so offending, shall be subject and pay the other, the sum of Five Hundred Pounds, to be taken and considered as damages and recoverable as such.

14th. That this agreement is made subject to confirmation by the Board of the Directors of the of the Company in London.

Witness to the signatures of Edward Coleman, as Manager
of the Inter-Colonial Royal Mail Steam Packet Com-
pany, (Limited), and of William Phippard Kirkwood,
Managing owner of the Steamer "White Swan."

(Signed) J. G. LAWSON.

(Signed) EDWARD COLEMAN.
(Signed) WM. P. KIRKWOOD.

Auckland, September 28, 1859.

POSTMASTER GENERAL, TO ACTING MANAGER OF THE INTER-COLONIAL ROYAL MAIL COMPANY.

General Post Office,
Auckland, December 22, 1859.

SIR,—

I have the honor to address you upon the subject of the Inter-Provincial Service by the Eastern Coast, performed by the Steamer "White Swan," under arrangement with the Company which you represent.

On the 8th November, a letter was addressed by the Colonial Secretary to His Honor the Superintendent of Napier, requesting the Government of that Province to discontinue the subsidy paid to the Steamer "Wonga Wonga." This was met by a proposal that the "White Swan" should perform an additional service between Auckland, Napier, and Wellington, in the latter half of every month, leaving Auckland on or about the 19th, on the arrival of the Inter-Colonial Boat from Sydney, and taking on Freight and Mails for Sydney, to be transhipped into the Inter-Colonial Boat at Wellington.

In consideration of this second East Coast Service, the Province of Hawks' Bay offered an extra subsidy of One Thousand Pounds per annum; which payment, upon certain conditions, it was arranged afterwards should be made not by them, but by the General Government.

The only obstacle to the conclusion of an arrangement upon this basis, is that the engagement subsidy between your Company, and the Government, precludes the latter from subsidizing any Steamers but those belonging to the Company, and consequently prohibits them from establishing this Service without the sanction of the properly authorised Agent of the Company. It would be the wish of the Government, indeed, to make no direct Contract at all with the "White Swan," but let this additional Service be carried out in the same manner as the existing one; namely, by means of a agreement between the owners of the "White Swan" and the Inter-Colonial Company.

I have therefore to request that you will communicate with the Manager at Sydney in reference to this subject.

I have, &c,

(Signed) HENRY JOHN TANCRED.

The Acting Manager
Inter-Colonial Royal Mail Company,
Auckland.

MR. GILFILLAN, TO POSTMASTER GENERAL.

Inter-Colonial Royal Mail Company (Limited)
Steam Ship Office,
Auckland, 23rd December, 1859.

SIR,—

I have the honor to acknowledge the receipt of your letter of yesterday's date, relating to a proposed change in the Contract which at present exists between this Company and the owners of the "White Swan" Steamer, and in reply I beg leave to state that I shall duly bring the matter under the notice of the Manager in Sydney.

I have, &c.,

(Signed) J. A. GILFILLAN,
Acting Manager.

The Honorable
The Postmaster General,
New Zealand.