

2nd. The Government would not be justified in incurring, so shortly before the Meeting of the Legislature, and where no absolute necessity exists, so large an expense unauthorised by law.

With respect to the first objection, the Agent of the Company is expected here very soon, and probably there will be no objection on his part to the proposed arrangement.

As regards the second objection, the Government are willing to agree to pay the additional One Thousand Pounds, on their receiving an assurance from your Honor, that, in the event of the General Assembly refusing to sanction that expense, that sum will be refunded by the Province of Hawke's Bay.

I have, &c.,

(Signed)

HENRY JOHN TANCRED,
For the Colonial Secretary.

His Honor
The Superintendent,
Napier.

SUPERINTENDENT OF HAWKE'S BAY, TO COLONIAL SECRETARY.

Superintendent's Office,
Napier, December 15, 1859.

SIR,—

I have the honor to acknowledge the receipt of your letter, of 7th instant, in reply to mine of 1st instant, on the subject of the Steam Mail Service on the East Coast.

The prompt and liberal consideration you have given to our wishes in regard of the additional Mail Service suggested in my letter, has given me and the Members of my Executive Council much satisfaction, and I have no doubt will be fully appreciated by all the Inhabitants of this Province.

I presume that on the return of Mr. Coleman to Auckland, the first objection raised by you will be obviated, and in respect of the second, I can at once guarantee the repayment of the additional One Thousand Pounds, in case the General Assembly should refuse their sanction to its expenditure by you, a contingency in my mind not likely to arise. Mr. Kirkwood has asked from us in addition to the One Thousand Pounds already named, that he should be paid at the rate of Five Hundred Pounds per annum extra, as long as the "Wonga Wonga" now subsidised by us, continues to run against the "White Swan," between Wellington and this place, which being reasonable enough, has been agreed to, and I enclose a copy of my letter to him for your information. I presume all necessary conditions will be introduced by you into the agreement to be made with Mr. Kirkwood, and shall bind him in reference to the time of starting from Auckland with the Mail immediately on its arrival, and to remaining here at least 24 hours clear, between the time of the "White Swan" entering and clearing at the Custom House, so as to give time to answer letters by way of Wellington. I presume also, that if this arrangement is completed, the Postmaster General will be good enough to give directions to have the Napier Mail in future forwarded by way of Auckland.

I have, &c.,

(Signed)

T. H. FITZGERALD,
Superintendent.

The Honorable
The Colonial Secretary,
Auckland.

MR. FITZGERALD, TO MR. KIRKWOOD.

Superintendent's Office,
Napier, December 13, 1859.

SIR,—

Referring to our conversation the other day, I have to communicate to you the willingness of the Provincial Government of Hawke's Bay, to pay you in consideration of the Bi-Monthly Service, now to be performed by you between Auckland, Napier, and Wellington, at the rate of Five Hundred Pounds per annum in addition to the One Thousand Pounds that the General Government will cause to be paid to you for the 2nd Mail Service to be performed for them, on the understanding, however, that the said rate of Five Hundred Pounds per annum is to be paid you so long only as the "Wonga Wonga" continues to run regularly twice a month in opposition to you between Wellington and this place, and that it is to cease in case of the said regularly fortnightly Service being discontinued.

It is fully understood also, that in entering into the new arrangement with the General Government, or Coleman's Company on its account, the rates of Passage money between Wellington and this place, and *vice versa*, are not to be raised by you, that Goods will be taken on from Sydney to this place by the Coleman's Boats and "White Swan" at the through rate of 60s. per ton, and without extra charges for transhipment and *vice versa*, and that the "White Swan" will remain at Napier on each occasion of her calling at least 24 hours

I have, &c.,

(Signed)

T. H. FITZGERALD,
Superintendent.

William Kirkwood, Esq.,
"White Swan" Steamer.

December 13th
1859.

(Enclosure.)