No. 26.

MR. PEEL TO MR. E. HAMILTON.

Treasury Chambers, 7th May, 1863.

SIR,—

With reference to your letter of the 20th March last, addressed to the Chancellor of the Exchequer, on the subject of the proposal made by you on behalf of the Government of New South Wales, and by Mr. Crosbie Ward on behalf of the Government of New Zealand, viz., that Her Majesty's Government should co-operate with those Colonies in establishing a monthly mail to New Zealand and Australia *viâ* Panama; I am directed by the Lords Commissioners of Her Majesty's Treasury to acquaint you that my Lords are unable to assist you in the establishment of such a line, owing to the expense it would entail upon this country under the proposals made by you and Mr. Crosbie Ward.

I am, &c.,

F. PEEL.

E. Hamilton, Esq.,
32, Upper Brook-street, W.

No. 27.

MR. E. HAMILTON TO THE SECRETARY TO THE TREASURY.

32, Upper Brook-street, 9th May, 1863.

SIR,—

I have the honor to acknowledge your letter of the 7th instant, informing me that the Lords Commissioners of Her Majesty's Treasury are unable to assist in the establishment of a monthly steam postal service between Panama and Sydney *viâ* New Zealand, owing to the expense it would entail on this country.

I shall have the honour of addressing you further on this subject in the course of next week.

I have, &c.,
E. HAMILTON,
Rep. Agent for New South Wales.

To the Financial Secretary,
&c., &c., Treasury.

No. 28.

MR. E. HAMILTON TO THE SECRETARY TO THE TREASURY.

5, Cannon-street, E.C.,
15th May, 1863.

SIR,—

I have the honor to invite your further attention to the subject of your communication of the 7th instant, in which I am informed that the Lords Commissioners of Her Majesty's Treasury have decided not to assist in the establishment of a monthly steam postal service between Panama and Sydney *viâ* New Zealand owing to the expense it would entail upon this country.

I was not prepared to hear that this question had been disposed of without further reference to Mr. Crosbie Ward, the agent for New Zealand, and myself, for the statements which were drawn up at the request of the Chancellor of the Exchequer were only intended to place before him the general outline of the claim which was to form the subject of consideration at the interview we had respectfully solicited.

I venture to submit that the proceedings of the Treasury in 1858 and 1859, with reference to this question, virtually constitute an engagement to establish the service on certain conditions specified in the Minute of 19th April, 1859, and that, these conditions being now satisfied, the Colonies of New South Wales and New Zealand have good reason to expect that the engagement will be fulfilled. I am unwilling to say that the Home Government is pledged in the matter; and if there is any distinction between a pledge, and a distinct intimation of opinion, "that the Lords Commissioners of the Treasury ought no longer to delay fulfilling an intention" in which second parties were materially interested, I admit that no pledge has been given. It is, however, beyond question that an understanding was come to, and I respectfully urge that a claim arising out of that understanding cannot be dismissed on the ground stated in your letter of the 7th instant, viz., that a compliance with it would entail a heavy expenditure on this country. The conditions of acquiescence by Her Majesty's Government in 1859 were clear and explicit, viz., a guarantee that one-half the whole cost of both services *viâ* Panama and *viâ* Suez should be defrayed by one or more of the Australian Colonies, and in reliance upon that understanding one of those